DOCUMENT RESUME

ED 161 782 SO 011 201

AUTHOR Hellman, Mary A.
TITLE A Source Book for Taxation: Myths and Realities.
INSTITUTION California Univ., San Diego. Univ. Extension.
SPONS AGENCY National Endowment for the Humanities (NFAH), Washington, D.C.
PUB DATE 78
NOTE 48p.; For a related document, see SO 011 202
AVAILABLE FROM Addison/Wesley Publishing Company, Reading, Massachusetts 01867 ($1.95)

EDRS PRICE MF-$0.83 Plus Postage. HC Not Available from EDRS.
DESCRIPTORS Adult Education; *Autoinstructional Programs; Community Programs; Films; *Finance Reform; Group Discussion; *Instructional Materials; Newspapers; Political Issues; Property Taxes; *Resource Guides; Secondary Education; Tax Effort; *Taxes; Tax Rates

ABSTRACT

This sourcebook is one of two supplementary materials for a newspaper course about taxes and tax reform. Program ideas and sources of related resources compiled in the sourcebook are designed to help civic and group leaders and educators plan educational community programs based on the course topics. Section one describes ways in which the program is useful in community and academic programs. It also identifies 15 topics around which weekly or monthly meetings can be planned. Section two suggests program ideas, background readings, and discussion questions for each of the 15 topics. Topics include the politics of taxation, tests of a good tax system, impact of taxation on the economy, social security, comprehensive income tax reform, local government tax and revenue reform, financial problems of big cities, and prospects for tax reform. Section three provides a guide to 36 public and private organizations that can provide resources. Also listed are all the state humanities committees. Section four contains an annotated bibliography of 21 films on tax-related topics such as welfare, bureaucracy, social security, urban problems, and history of taxation. (AV)

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A Source Book for Taxation

Myths and Realities

Mary A. Hellman

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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SP 011 201

Courses by Newspaper is a project of University Extension, University of California, San Diego
Funded by The National Endowment for the Humanities

Addison-Wesley Publishing Company
Menlo Park, California • Reading, Massachusetts
London • Amsterdam • Don Mills, Ontario • Sydney

Design Paul Quin
Cover Illustration Geoffrey Moss
Production and Typography Polycarp Press

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Library of Congress Catalog Card No 78-60864

ISBN 0-201-07721-3

Addison-Wesley Publishing Company
2725 Sand Hill Road
Menlo Park, California 94025

ISBN 0-201-07721-3
ABCDEFGHIJK-AL-798

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Introduction

This *Source Book* was developed by Courses by Newspaper in an effort to broaden the impact of its Fall, 1978, program, "Taxation: Myths and Realities." Specifically, the program ideas and resources compiled in this publication are designed to help civic and group leaders and educators plan timely community programs based on the course topics.

This project was generously funded and supported by the National Endowment for the Humanities and directed by Courses by Newspaper's Project Director George A. Colburn and Editorial Director Jane L. Scheiber. The filmography was researched under the direction of Nadine Covert of the Educational Film Library Association.

Section I/Topics

How to Use Courses by Newspaper

Too much of a good thing—too many provisions, too many special cases, too many doubts. That's how one expert describes America's tax systems—riddled with costly loopholes and inequities that demand reform. But tax reform, according to another authority, "for most people means getting their own burdens lightened." And that's why, says a third expert, for every loophole closed, another is created.

These observations about modern federal, state, and local tax systems can form the basis for lively community discussions in this election year. In the following pages is an outline of topics and program ideas designed to give concerned citizens information necessary to evaluate the social, economic, and political challenges confronting the tax system that finances government. This topic outline and other materials developed by Courses by Newspaper, a national education program, make the planning of timely programs for civic, religious, educational, and community groups simple and inexpensive.

What are some possible topics for community education programs on taxation? Based on Courses by Newspaper's Fall, 1978, program, "Taxation: Myths and Realities," the following is a list of topics that can be used for weekly or monthly meetings:

1 Taxes: The Price of Civilization What are the origins and history of the American tax system?

2 The Politics of Taxation: America in World Perspective How does the tax burden in the United States compare to that of other nations?

3 Tests of a Good Tax System What is the desired balance among fairness, efficiency, and simplicity in modern tax systems?

4 Tax Games People Play What is the impact of tax evasion on the economy and public attitudes toward government?

5 Taxation: Its Impact on the Economy How do taxes regulate today's economy?

6 Social Security: Public Financing for Human Needs How should Social Security be financed and its funds distributed?

7 Comprehensive Income Tax Reform In what ways can the income tax be made fairer and simpler?

8 Income Taxation in an Inflationary Economy How does inflation generate effective changes in the rate at which people are taxed?

9 A Personal Spendings Tax: An Alternative for Reform? How does a tax on spendings compare to the present tax on income?

10 Political Trust and a Uniform Income Tax How would elimination of deductions from income taxes result in renewed faith in government?

11 The Corporation Income Tax: Cause or Cure of Fiscal Problems? What are the arguments for and against the present corporate income tax?

12 Local Government Tax and Revenue Reform What are the problems associated with property tax reform?

13 New Tax Policy Options What alternatives to the present methods of financing state government are being proposed or tried?

14 Big Cities: Financial Problems and Solutions Why are big cities in desperate financial straits and what are possible tax solutions to this crisis?

15 The Well-Regarded Tax System: Impossible Dream or Attainable Reality? What are the myths and realities of the present tax system?

How can I use the topics for "Taxation" in planning programs for my organization? Stimulating weekly or monthly programs for all types of organizations can be

planned around these topics. Organizations that meet every week can examine each of the fifteen topics. Those meeting monthly can focus on a selection of the topics that reflect the group's interests and concerns or on the broader topics of uses and abuses of taxation, taxes and the economy, federal tax problems and policy options, and state and local tax problems and policy options.

Because each of the topics is rich with ideas and points of view, meeting formats can be varied to achieve maximum interest and participation. For example, one meeting might include a group discussion of the topic led by an instructor from a local community college, college, or university. Another could feature discussion by a panel whose members represent differing viewpoints. A third could feature a film followed by a speaker who would comment on issues raised in the film.

To assist you in planning these meetings, a variety of program ideas for each of the course topics, as well as suggested discussion questions and books to review, is found in Section II of this book.

In Section III is a list of organizations that will provide resources such as speakers, films, or handouts to enrich your meetings. And in Section IV is a filmography researched by the Educational Film Library Association that suggests several provocative and informative films for each weekly topic. Most of these films are available from community or educational film libraries for modest rental fees.

Are materials available to stimulate group interest in the "Taxation" topics? Articles on the fifteen "Taxation" topics will begin appearing in newspapers throughout the country in September 1978. These concise weekly articles provide historical perspectives, explore current thought and opinions, and raise questions about assumptions, traditions, interpretations, and proposals for the future. This series was written for Courses by Newspaper by scholars and observers of the contemporary scene with a variety of viewpoints about modern tax systems.

If a local or nearby newspaper is featuring this series, members can be asked to read the appropriate articles for background on topics scheduled for discussion. A participating newspaper will be happy to provide information about its schedule for publication of the articles, and this information can be relayed to members in your newsletter or meeting announcement.

How can I find out if this series is to appear in my local newspaper? A list of participating newspapers is available from Courses by Newspaper, University Extension, University of California, San Diego, Q-056, La Jolla, CA 92093.

If your local newspaper is not carrying this free series, Courses by Newspaper will work with you to involve your newspaper. For assistance, phone collect (714) 452-3405 and ask to speak with the program's newspaper liaison.

Are additional materials related to the "Taxation" topics available? Supplementary materials that expand on the "Taxation" topics have been prepared by Courses by Newspaper. Included is a lively *Reader/Study Guide, Taxation: Myths and Realities*, featuring thought-provoking readings that correspond to each topic; commentaries that relate the readings and the newspaper articles, factual review questions, and suggested essay and discussion questions.

Selections in the *Reader*, an excellent source of additional points of view, can be read by the entire group or by one or more members who could summarize the readings for the rest of your group at your meetings. The *Study Guide* portion is a convenient source of background information for discussion leaders to use in preparing for each meeting.

All of these materials can be ordered by mail using the coupon printed in the back of this book or by writing Life-Long Learning—Higher Education Group, Addison-Wesley Publishing Company, Reading, Massachusetts 01867. Groups planning discussion sessions based on the "Taxation" topics may order the books for their members at discount prices. All orders must be prepaid.

Are any resources for these "Taxation" programs available locally? The series of fifteen newspaper articles on the "Taxation" topics is the basis of a course offered by participating colleges and universities throughout the nation. If a local educational institution is offering "Taxation" for credit, it can provide a wealth of resources that will be useful in planning your group's programs. As part of their educational program, many colleges and universities sponsor films and/or lecture series on the course topics, and some are offering special sessions of the class or community forums that are open to members of the community who are not enrolled in the course for credit.

Members of your group who want to broaden their understanding of the "Taxation" topics may want to enroll in the course for credit or noncredit or to attend events on campus related to your meeting topics. Information about these local programs can be relayed in your newsletter or meeting announcements.

Other organizations that may be a source of speakers or panelists for your discussion sessions are listed in Section III.

How can local colleges and community groups develop a "community forums" based on the "Taxes" topics? As with past courses, Courses by Newspaper's "Taxation" series serves as the basis of community programs planned by participating newspapers and educational institutions. During 1977–78, CbN Forums, demonstration community humanities programs conducted at eleven community and junior colleges throughout the country, provided opportunities for citizens to discuss issues raised by the CbN articles and supplementary materials.

The forums were developed by the American Association of Community and Junior Colleges, with a grant from the National Endowment for the Humanities. Featuring a discussion period led by local experts and the college faculty, each forum was designed to involve all facets of both college and community. Free and open to the public, the forums were accompanied by additional features such as dramatic presentations, film series, television and radio broadcasts, demonstrations, book reviews, library exhibits, and locally-prepared articles.

During 1978–79, a series of regional workshops will be held at various locations across the country to show the results of the CbN Forums demonstrations. Information on how to mount a community forum program will be provided. Materials to aid colleges and organizations in developing forum programs will be distributed and persons experienced in planning, promoting, and conducting community forums will share their expertise.

Case studies on the eleven demonstration CbN Forum projects, published by the American Association of Community and Junior Colleges, will also be available to all community programmers interested in establishing their own CbN Forum series.

For information on the dates and locations of the community forum regional workshops, and to request the case study monograph and other materials designed to facilitate the presentation of local forum programs, contact: Diane U. Eisenberg, Director, Community Forums Office, American Association of Community and Junior Colleges, One Dupont Circle, N.W., Suite 410, Washington, DC 20036 (telephone 202/293-7050).

How can I find out if my local college or university is involved in "Taxation"? A list of participating colleges and universities is available from Courses by Newspaper, University Extension, University of California, San Diego, Q-056, La Jolla, CA 92093 (telephone 714/452-3403).

As the course instructor, how can I enrich my Courses by Newspaper class for enrolled students? Because it is an innovative program in continuing education that attracts many nontraditional students, Courses by Newspaper encourages instructors to enliven classroom meetings and to increase the number of meetings (beyond the two required contact sessions) with students enrolled for credit. However, to maintain the flexibility of the course, it is suggested that these additional meetings be optional.

"Taxation" provides many opportunities to invite guest speakers from other academic departments. These speakers should be selected not only for their expertise, but also for their ability to stimulate lively discussions. Speakers can also be drawn from among the numerous public and private organizations that are informed on one or more of the course topics. A sampling of these organizations can be found in Section III of this book.

Films selected from the filmography in Section IV also can be used to enrich class discussions. Many of the films listed are designed to spark discussions of the topics by presenting a variety of points of view as well as historical background and future forecasts. The program suggestions in Section II, which frequently combine a film showing with a guest speaker or panel discussions, lend themselves to implementation in the classroom.

How can I broaden the impact of my Courses by Newspaper program? When you have completed planning your classroom sessions, consider inviting the general public to attend. Surveys conducted by Courses by Newspaper have shown that many newspaper readers regularly follow the series but do not need or desire college credit and therefore do not enroll in the course. However, many are likely to attend public forums on the course topics.

In planning your public sessions, try to achieve the broadest community involvement possible. Perhaps a local community group or an organization with a special interest in taxation can be invited to become cosponsors of the public sessions. Or a local high-school teacher can be invited to involve his or her classes in the program and the public sessions. This type of community participation not only broadens the impact of the course but also familiarizes the public with your institution and its programs.

To reach and involve Courses by Newspaper readers in your area, publicity is essential. The local newspaper carrying the Courses by Newspaper series, of course, will usually be happy to publicize events related to the series that offer a service to their readers. However, be certain also to contact local television and radio stations, provide them with a schedule of your programs, and encourage them to cover the sessions.

Students enrolled in the course for credit can be asked to come before or stay after the public programs to raise questions of special concern to them. If you prefer meeting with the enrolled students separately, consider scheduling an additional contact session for students only.

How can I use this Source Book to assist me in preparation of my Courses by Newspaper classes? To aid those seeking background information and program ideas on specific topics, Section II of this book contains references to recent articles in popular periodicals and program suggestions; Section III lists resources for each topic; and Section IV is a filmography.

Section II/Programs

Organizations to Contact for Speakers and Information

Because of their rich, and sometimes controversial nature, each of the topics for "Taxation" inevitably suggests an abundance of program ideas. Thus, it has been impossible to provide more than a sampling of these ideas on the following pages. It should also be noted that none of the program suggestions included in this book is meant to reflect or support any one point of view; rather, they are designed to provide a framework or a point of departure for group discussions. Individual community leaders and course instructors are strongly encouraged to adapt or modify these suggestions to suit the interests and concerns of his or her particular group.

Suggestions presented for each weekly topic include ideas for films, speakers, debates, surveys, and panel discussions. Also included are selections to read and books to review from the Courses by Newspaper Reader/Study Guide, "Taxation: Myths and Reality," selections from popular periodicals, and suggested discussion questions. Information on public and private organizations that can provide additional resources, such as films, speakers, and handouts on specific course topics, are listed in Section III. A complete filmography for the course, compiled by the Educational Film Library Association, can be found in Section IV.

1.
Taxes,
The Price of Civilization

> But it is not enough for our tax structure to raise necessary revenues. In addition, it ought to be fair. It should help or allow the national economy to function efficiently. This equity-efficiency trade-off is hard to achieve and poses some of the most difficult tax policy questions.
>
> *Arthur D. Lynn, Jr.*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part One for articles by Gerard M. Brannon, Elliot Brownlee, and Gustav Schacter and Edwin L. Dale, Jr., on the themes of "Taxes, The Price of Civilization." *From Popular Periodicals:* A brewing taxpayers' revolt and political response to this citizen anger are surveyed in "Nation's Taxpayers Are Getting Angry and Getting Organized" in the April 25, 1977, issue of *U.S. News & World Report* (pp. 69–70).

Staff writer David Warsh points out that regional differences in purchasing power explain the varying impact of taxes nationwide. See "Okay, Soak the Rich, But Where Are They?" in the October 1, 1976, issue of *Forbes* (pp. 38–42).

BOOKS TO REVIEW

Financing State and Local Governments by James A. Maxwell and Richard J. Aronson. This succinct, nontechnical study analyzes the public finance of subnational governments in the American federal system.

Federal Tax Reform: The Impossible Dream? by George F. Break and Joseph A. Pechman. Possible tax changes are evaluated in terms of both equity and economic efficiency.

SUGGESTED DISCUSSION QUESTIONS

What are appropriate criteria for the assignment of certain functions to government? Are these criteria responsible for the current growth of government functions and impact? Explain your answer.

What is the role of taxation in government? What explains the typical "schizoid" reaction of Americans to this role?

What insights can be gained by reviewing the history of taxation? What constant citizen concerns emerge? What government responses?

What has been the impact of American federalism on taxation policy? What is the likely future of this relationship? Explain your answer.

PROGRAM SUGGESTIONS AND RESOURCES

Taxpayers' Revolt: Troubled by inflation and unemployment, the American public has focused much of their anger and discontent on tax policies. Invite a local tax expert to lead a discussion with your group on their attitudes toward today's tax system. Encourage your discussion leader to focus the dialogue on the myths and realities of taxation. You might consider recording this meeting as part of an oral history of your organization.

A Federal Case: The taxation process in a federal system of government that derives its consent from the governed is complex and seemingly disjointed. Explore this process in a discussion with a political scientist and public administration professor from a local community college, college, or university. Focus the discussion on the safeguards and problems created by this form of government.

Rebellion: Born in part as a result of a tax rebellion, America has experienced few tax-related uprisings in its history. Invite an economic or social historian to provide an overview of taxation policy and problems in this country. Encourage your speaker to speculate on the relative acceptance of tax responsibilities by the American public. Prior to the discussion, consider viewing *George Washington and the Whiskey Rebellion*, a dramatization that focuses on the Constitutional issues of taxation.

Who Pays For What?: A perennial question facing government is the nature and scope of its functions and the financing of these services. Convene a panel of political scientists and economists to discuss these issues with your group. A local tax expert such as a tax collector, local treasurer, or fiscal officer can be asked to serve as moderator.

2.
The Politics of Taxation:
America in World Perspective

> Apparently, spending that is profligate or lean, taxing that is heavy or light, treatment of the poor that is generous or stingy—all these have little to do with political reactions.
>
> *Harold L. Wilensky*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part One for articles by David Perry, Joseph A. Pechman, James S. Byrne, and others on the themes of "The Politics of Taxation: America in World Perspective."

From Popular Periodicals: Edwin L. Dale, Jr., of *The New York Times* Washington Bureau examines recent reforms in the Congressional budgetary process in "Can Congress At Last Control The Money Tree?" in the August 22, 1976, issue of *The New York Times Magazine* (pp. 10–11+).

Politically-motivated tax audits must be abolished, argues author Jason Berry in "Even Taxpayers have Rights: Intelligence Abuses by the IRS" in the January 1, 1977, issue of *The Nation* (pp. 9–13).

High taxes and an overgrown bureaucracy are the cause of political backlash in Scandanavia, according to political scientist John Logue in "Welfare State at the Crossroads" in the September 1977 issue of *Progressive* (pp. 34–37).

Queen's Counsel Sir Frank Layfield recommends changes to stem Britain's tax revolt in "Reform of Taxation" in the January 1978 issue of *Center Magazine* (pp. 60–69).

BOOKS TO REVIEW

Who Bears the Tax Burden? by Joseph A. Pechman and Benjamin A. Okner. This Brookings Institution report describes how the burden of taxation in the United States is distributed by income class.

Comparative Public Policy: The Politics of Social Choice in Europe and America by Arnold J. Heidenheimer, Hugh Heclo, and Carolyn Teich Adams. Taxation is one of the government policies included in this cross-national analysis.

SUGGESTION DISCUSSION QUESTIONS

In what ways have taxation issues been significant in recent political campaigns? What possible explanations are there for this prominence both in America and other nations?

How do Congress and the legislative process affect tax systems and rates? How are they affected by taxation?

What are the major differences between countries facing taxation backlash and those that are not?

What are the advantages and disadvantages of relying on so-called "indirect" taxes such as the sales tax? What are the advantages and disadvantages of relying on "visible" taxes like the income tax?

What are the differences in the ways tax monies are spent in countries facing tax protests and those that are not?

What other solutions are there to the political problems posed by taxation besides the one suggested by Professor Wilensky?

PROGRAM SUGGESTIONS AND RESOURCES

Across Cultures: Revenue needs and taxation difficulties vary greatly in countries in differing stages of development and growth. For a comparative view, convene a panel of experts on the economies of specific countries. Try to include a developing nation, a wealthy democracy, a welfare state, and a communist or socialist country. Panelists can be drawn from the economics or political science departments at a local community college, college, or university.

From the Political Perspective: Candidates for public office and elected public officials generally must take a position on taxation and revenue spending. Invite several candidates and officials who represent a cross-section of political points of view to share their opinions on these issues with your group. Encourage your audience or moderator to ask probing questions designed to penetrate the expected rhetoric. A local tax expert or public administration specialist could serve as moderator.

3.
Tests of a Good Tax System

> The major tax sources of our three levels of government—federal income tax, state sales tax, local property tax—each score mixed ratings on the tests of a good tax system. No single one is perfect nor likely to be made so. Tax reform, therefore, really boils down to trade-offs.
>
> *George F. Break*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part One for articles by Arthur Lynn, Jr., Richard A. Musgrave, Senator Edward M. Kennedy, and others on the themes of "Tests of a Good Tax System."

From Popular Periodicals: Writer A. F. Ehrbar reviews the criteria of a good tax in his discussion of such tax reforms as the single tax and the personal spendings tax in "Manifesto for a Tax Revolution" in the April 1977 issue of *Fortune* (pp. 90–95+).

BOOKS TO REVIEW

Public Finance in Theory and Practice by Richard A. Musgrave and Peggy Musgrave. Included in this general discussion of taxes is an explanation of the requirements of a "good" tax structure.

An Inquiry Into the Nature and Causes of the Wealth of Nations by Adam Smith. This classic study contains the famous four maxims an early economist applied to the design of taxes in general.

SUGGESTED DISCUSSION QUESTIONS

List some of the criteria of a good tax system. Rank them in order of importance in your view. Explain your ranking.

What are the various interpretations of the criterion of equity? What larger social issues are involved in this debate?

Evaluate current taxes—income, sales, and property—in light of the criteria of a good tax system. In light of your ranking.

How do the generally accepted tax "trade-offs" reflect a national system of values? Your personal values?

PROGPAM SUGGESTIONS AND RESOURCES

A Philosophy of Taxation: Ever since the colonists raised their voices against taxation without representation, Americans have debated the forms and functions of their tax systems. Invite a historian specializing in intellectual or economic history to discuss with your group the philosophy and value system that supports tax systems in this country. Encourage your speaker to compare these values to overall American values and ideals.
Trade-offs: Because no tax system meets all the criteria of a good system, Americans have had to make difficult choices on implementing various tax systems. With the help of a local economist or tax expert, have members of your group evaluate some major tax according to the tests of a good tax (described by Professor Break in his course article). Following this evaluation, ask members to rank the tax systems tested in terms of overall merit.
Equity vs. Efficiency: Much of the current debate about taxation focuses on the fairness and efficiency of major taxes such as property, sales, and income tax. Convene a debate between two economists, tax experts, or social scientists on the various interpretations of these terms and their relative importance to each other. Conclude the discussion by evaluating some current taxes in light of these two criteria.

4.
Tax Games People Play

> . . . the specific form of shelters changes continually as Congress and the Internal Revenue Service close current avenues of escape and new ones are developed for taxpayers. In this dynamic struggle, the taxpayer "rabbit" has kept comfortably ahead of the IRS "greyhound."
>
> *Daniel M. Holland*

BACKGROUND

From the Courses by Newspaper Reader Taxation. See Part One for articles by Stanley S. Surrey, Robert L. Nessen, Andrew Knight, and others on the themes of "Tax Games People Play."
From Popular Periodicals: The booming business of providing tax shelters for wealthy Americans is explored by staff writer Harold Seneker in "Gimme Shelter" in the July 15, 1977, issue of *Forbes* (pp. 27–29).

Neither business nor individuals want to lose the tax loopholes they now enjoy, according to "Why the Fight for Tax Reform is Faltering Again" in the May 10, 1976, issue of *U.S. News & World Report* (pp. 76–78).

Oil and gas investments are today's most promising tax shelters, despite reforms, according to "Surprising Survival of Tax Shelters" in the December 26, 1977, issue of *Business Week* (pp. 136+).

BOOKS TO REVIEW

Pathways to Tax Reform by Stanley S. Surrey. The development and impact of "tax expenditures" is explained.

Tax Shelters and Tax Free Income for Everyone by William C. Drollinger. In this succinct compilation are the various provisions of the tax law from which tax shelters are developed.

SUGGESTED DISCUSSION QUESTIONS

Explain the American attitudes toward taxes and tax law that suggest reasons for current widespread tax shifting, avoidance, and evasion. How do these attitudes compare with attitudes toward other American "responsibilities" such as the draft, compulsory education, and so on?

What taxes are particularly susceptible to shifting of the tax burden? Are reforms possible that would minimize this phenomenon?

Is there a consistent philosophy or policy underpinning tax exemptions? If not, what criteria could be established?

Should all Americans be required to pay a minimum tax annually? Explain your position.

What steps can be taken to minimize tax evasion?

PROGRAM SUGGESTIONS AND RESOURCES

Costly Exemptions: The exemption of certain types of incomes from the category of taxable income costs the federal government billions of dollars annually. Explore these exemptions, the rationale behind their enactment, their use today, and the need, if any, for change. Panel-

ists could include tax attorneys, representatives of a tax reform group, a local or regional Internal Revenue Service official, and a professor of tax law or economics from a local community college, college, or university.

Evasion: What steps are being taken by law enforcement officials to reduce tax evasion without infringing on individual rights? Discuss this quesion with a representative of your local or regional Internal Revenue Service office. As a prelude to the discussion, consider viewing *The Sloane Affair*, a successful investigation of tax evasion and fraud in Canada.

Building A Little Shelter: Assembling "tax shelters" for high income taxpayers has become big business today. Familiarize your group with this consumer industry and the services they provide by inviting representatives of two or more businesses, banks, or accounting firms to your meeting. A local attorney, law professor, or economist can be asked to evaluate the services offered, the interpretation of tax laws, and the effects of tax shelters upon the economy.

5. Taxation: Its Impact on the Economy

> But like it or not, taxes profoundly affect economic conditions. Employment, inflation, and economic growth are all shaped by tax policy.
>
> *Richard A. Musgrave and Peggy Musgrave*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part Two for articles by Arthur M. Okun, Lawrence S. Seidman, David I. Meiselman, and others on the themes of "Taxation: Its Impact on the Economy."

From Popular Periodicals: The tax reform proposals of the current administration are assessed in terms of their likely impact on the economy in "Carter's Tax Plan: A Special Report" in the August 29, 1977, issue of *Business Week* (pp. 46–49*).

Capital formation, essential for a healthy economy, can be spurred by tax cuts that encourage investment and saving, according to former Secretary of the Treasury William E. Simon in "Watering the Money Tree" in the March 5, 1976, issue of *National Review* (pp. 213–14*).

Reporters Tom Nicholson and Rich Thomas chronicle the debate on the relationship of taxes to a sluggish economy in "Tax Less—Or Spend More?" in the December 27, 1976, issue of *Newsweek* (pp. 52–53).

Two former chairpersons of the President's Council of Economic Advisors, Alan Greenspan and Arthur Okun, argue the merits of various means of inflation control in "Debate: How to Stop Inflation" in the April 1977 issue of *Fortune* (pp. 116–120).

BOOKS TO REVIEW

Economics by Paul A. Samuelson. Included in this classic text is a systematic and lucid introduction to the causes underlying unemployment and inflation as well as the ways fiscal policy may be used to deal with them.

Federal Budget Policy by D. J. Ott and A. F. Ott. This up-to-date discussion of the legislative and executive processes that result in budget policy includes an introduction to the use of taxation policy for economic stabilization.

SUGGESTED DISCUSSION QUESTIONS

In what ways does government saving or spending influence the operation of the free market system? Explain the growing impact of government on the economy.

What is the relationship of taxation to inflation and to unemployment? What considerations must be taken into account before employing taxes to stimulate or "cool off" the economy?

What particular problems are posed by "stagflation"? What are the tax policy options under such conditions?

How is taxation affected by the economy? What problems has this relationship created for government? What possible solutions exist?

How has the relationship between taxes and economic growth contributed to tax problems? How can these negative consequences be minimized?

PROGRAM SUGGESTIONS AND RESOURCES

A Taxing Economy: During the recent era of economic uncertainty, many proposals have been offered

for stimulating growth while controlling inflation. Convene a panel of economists to review the arguments for and against these proposals. One speaker could be asked to outline the various options; then the other panelists and members of the audience could debate their merits. Conclude by having the panel and audience rate the proposals discussed in order of preference.

Out of Our Pockets: How do the actions of state and federal governments impact on the local economy? Discuss this question with a representative of your local chamber of commerce or a local business leader, a local or county government official, a labor leader, and a member of a taxpayer's or homeowner's association. Focus the discussion on revenue, both taken from and returned to the area economy.

More Is Less: Revenues collected and spent by local governments have been seriously affected by the recent "stagflation." Invite your city's or county's chief fiscal officer to explain the problems your local government has encountered and what steps have been taken to meet these dilemmas. If local officials are up for election at this time, consider inviting opposing candidates to share their views on local fiscal concerns and related tax measures.

6.
Social Security:
Public Financing for Human Needs

The Social Security program will probably continue to be financed on a pay-as-you-go basis. As people from the postwar baby boom retire, however, a choice will have to be made: whether to endure payroll taxes of 18 percent for old age and disability benefits; reduce costs by lowering benefits or extending the retirement age; or add other sources of revenue. *Alicia H. Munnell*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part Two for articles by J. Douglas Brown, Barbara Koeppel, Martin Feldstein, and John A. Brittain on the themes of "Social Security: Public Financing for Human Needs."

From Popular Periodicals: An excellent review of the problems facing America's Social Security system, the policy options, and likely solutions can be found in "Propping Up Social Security" in the July 19, 1975, issue of *Business Week* (pp. 34–38+).

The history of policies and politics that share responsibility for the current fiscal crisis in Social Security is reviewed in: "For Social Security's Ills: A Choice of Harsh Remedies" in the November 21, 1977, issue of *U.S. News & World Report* (pp. 30–32).

Regressive, inadequate, and fiscally unsound since its beginnings, Social Security must be restructured to become equitable, argues Detroit Congressman John Conyers, Jr., in "Social Security: The Bad Dream" in the May 8, 1976, issue of *The Nation* (pp. 558–560).

BOOKS TO REVIEW

An American Philosophy of Social Security: Education and Issues by J. Douglas Brown. The role of Social Security in providing retirement income is viewed vis-à-vis private persons and public assistance.

The Payroll Tax for Social Security by John A. Brittain. General revenue financing and the use of exemptions and deductions for the payroll tax are among reform proposals for Social Security financing discussed.

SUGGESTED DISCUSSION QUESTIONS

What philosophy supported the creation of today's Social Security system? Is this philosophy consistent with other American goals and values?

How does Social Security differ from other pension plans? Do these differences contribute to the strength or weaknesses of the system?

What are the arguments for continued funding of Social Security via the payroll tax? What are the drawbacks of this method of financing?

What are the arguments for and against other methods of funding? What, in your opinion, is the solution to this dilemma? Explain your answer.

What are the major problems Social Security faces as the end of the century approaches? What are some proposed solutions to these problems?

PROGRAM SUGGESTIONS AND RESOURCES

Running Out of Funds: The current concern that the Social Security trust fund shortly would be bankrupt has

resulted in changes in the structure and funding of this retirement system. Invite the manager of your local or district Social Security office to discuss these changes with your group. Consider also inviting your local representative in Congress to explain his or her vote on the recently approved reforms.

Who Pays?: In what ways are the funding proposals and the philosophy and functions of Social Security interrelated? Convene a panel of economists or tax experts to explore this question with your group. As a prelude to the discussion, invite a historian from a local community college, college, or university to review the history of the founding and implementation of the Social Security system.

Survivors: During the past decade, various women's groups have argued that the current Social Security system discriminates against females. Invite representatives of local women's rights organizations to explain their position on this issue and their recommendations for reform. The manager of your local or district Social Security office or an economist familiar with the details of this pension plan can be asked to comment on objections raised.

7. Comprehensive Income Tax Reform

> If [all the special features of the tax laws] were eliminated, last year's income tax collections would have been $120 billion larger—$285 billion instead of $165 billion. Or, the same $165 billion in revenues could have been collected with an average reduction in tax rates of over 40 percent. *Joseph A. Pechman*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part Three for articles by Allen D. Manvel, Nancy Ammon Jianakoplos, Joseph J. Minarik, and others on the themes of "Comprehensive Income Tax Reform."

From Popular Periodicals: Economists and attorneys offer their suggestions for creating an equitable, efficient tax system in "Reforming Tax Laws: Views of Four Authorities" in the July 25, 1977, issue of *U.S. News & World Report* (pp. 34–38).

Vested interests—lawyers, accountants, civil servants, and legislators—keep America's complex, unequal tax system alive, according to economist and columnist Milton Friedman in "Tax Reform: An Impossible Dream" in the April 12, 1976, issue of *Newsweek* (p. 93).

BOOKS TO REVIEW

A Comprehensive Income Tax Base? A debate by Boris I. Bittker and others. This is a debate by a group of experts on the meaning and the practicality of the comprehensive income tax.

Pathways to Tax Reform: The Concept of Tax Expenditures by Stanley S. Surrey. The comprehensive income and comprehensive expenditure taxes are compared in this this study.

SUGGESTED DISCUSSION QUESTIONS

Evaluate the U.S. income tax in terms of the criteria of a good tax. What are the most significant weaknesses in your opinion? Explain your answer.

Of the causes of the income tax erosion listed by Professor Pechman, which, in your opinion, are the most serious? Explain your choices and the criteria used to select them.

How do the defects in the income tax that you identified as most serious correspond to your personal circumstances? Are you willing to give up tax advantages you enjoy to secure a simpler, fairer income tax? Please explain.

What are the road blocks to comprehensive income tax reform? How might these be overcome?

PROGRAM SUGGESTIONS AND RESOURCES

Rich Loophole: One of the most serious sources of erosion from income tax revenue are the provisions that exempt portions of long-term capital gains. Explore this tax exemption by first inviting a tax accountant or attorney to explain the history and operation of the capital gains tax. Then, arrange a debate between proponents and opponents of the current provision. Debaters could include a representative of a local chamber of commerce or industry association and a tax specialist active in reform efforts. Conclude by asking your local Congres-

sional representative to explain his or her position and vote on recent reforms.

Middle-Class Loophole: Another source of revenue loss is the deduction of mortgage interest from income tax returns—a deduction that has recently been the subject of serious debate. Discuss the pros and cons of this provision with a representative of the real estate industry, a home owner's association, a renter's association, and a tax reform organization. Prior to the discussion, invite an industry spokesperson to survey the local housing market for your audience.

A Single Penalty: It has been argued recently that married couples enjoy tax advantages not shared by singles—provisions that have been criticized by some, yet are supported in current reform proposals. Explore this issue by first discussing the history and philosophy of these provisions with an economic historian from a local community college, college, or university. Then arrange a panel discussion of current reforms suggested by the Carter Administration. Panelists could include representatives of tax reform organizations, an Internal Revenue Service official, and a tax attorney.

8. Income Taxation in an Inflationary Economy

> Inflation causes a problem for our progressive tax system—in which the rate of taxation increases with the amount of income—because increases in nominal wages artificially push taxpayers into higher tax brackets. Taxpayers therefore can find their real tax liabilities—the amount of taxes owed after adjusting for inflation—are increased even though their real incomes are unchanged.
>
> *Martin Feldstein*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part Three for articles by Joseph A. Pechman and the Advisory Commission on Intergovernmental Relations on the themes of "Income Taxation in an Inflationary Economy."

From Popular Periodicals: As inflation devalues income dollars, taxpayers find themselves in higher brackets with no gain in real income, reports *Newsweek* in "The Tax Mess," a comprehensive review in the April 10, 1978, issue (pp. 70–71+).

Increasing deductions to keep pace with inflation is one of several reform proposals outlined in "Now: A Drive to Ease Inflation's Toll on Your Taxes" in the August 9, 1976, issue of *U.S. News & World Report* (pp. 69–71).

BOOKS TO REVIEW

Inflation and the Income Tax edited by Henry J. Aaron. This volume contains a collection of articles on various aspects of the income tax and inflation.

SUGGESTED DISCUSSION QUESTIONS

Explain the impact of inflation on tax systems. Is this impact the same on all forms of taxes?

How does the impact of inflation on tax systems influence the rest of the economy? What specifically happens to wages and prices in this situation?

Explain the impact of inflation on savings. On interest rates. Explain how inflation distorts the impact of taxes on savings.

What changes in current tax laws are necessary to offset the effects of inflation? What are the likely side effects of these changes?

What are other possible remedies to reduce the impact of inflation on the income tax? Are these remedies preferable to alteration of the tax law? Explain your preference.

PROGRAM SUGGESTIONS AND RESOURCES

Nominal Gains, Real Losses: In an inflationary economy, taxpayers find that taxes consume wage increases and that the very tax structure is changed. Explore this phenomenon in a discussion with an economist from a local community college, college, or university. Encourage your speaker to analyze the effect of inflation on the economy and on the structure of the tax system.

Saving Savings: In an inflationary economy, taxes frequently absorb the income from interest earned on savings accounts. For a better understanding of this effect, invite a representative of a local bank or savings and

loan association to meet with your group. Focus the discussion on the impact of inflation on the number and duration of savings accounts, and on the financial community and on the economy in general. Members can be encouraged to relate their decisions regarding savings durings the past five years.

Beating Inflation: Formulated when inflation was a minor economic phenomenon, the income tax system is unable to meet the challenges posed by spiraling wages and prices. Convene a panel to discuss adjustments to the present income tax that would make the tax system responsive to inflation. Panelists could include an accountant or tax expert and representatives of a local bank or savings and loan association, tax reform organization, and major labor union.

9.
A Personal Spendings Tax:
An Alternative for Reform?

> In short, [a spendings tax] would tax people according to what they take out of the economy for consumption, rather than what they put into the economy by way of productive labor and investment. *William D. Andrews*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part Three for articles by Stanley S. Surrey, Martin S. Feldstein, C. Harry Kahn, and Dan Throop Smith on the themes of "A Personal Spendings Tax: An Alternative for Reform?"

From Popular Periodicals: In what ways can taxes serve to bring about an equitable division of income and wealth in the United States? Economist Lester C. Thurow outlines some proposals in "Tax Wealth, Not Income" in the April 11, 1976, issue of *The New York Times Magazine* (pp. 32–33 ff).

BOOKS TO REVIEW

Constructive Income Taxation by I. Fisher and H. Fisher. The first major American work advocating a personal spendings tax, this 1942 book states the arguments for preferring consumption over an accretion base.

An Expenditure Tax by N. Kaldor. Addressed to the situation in Great Brittain, this book is a convincing statement of the economic case for a spendings tax.

SUGGESTED DISCUSSION QUESTIONS

How does a personal spendings tax measure up when examined in light of the criteria for a good tax system?

How does a personal spendings tax compare to the existing income tax? Sales tax? Property tax? In your opinion, is it superior to these existing taxes? Why or why not?

What possible impact would a spendings tax have on the economy in times of inflation or recession? How would a spendings tax be affected by inflation or recession?

What are the problems to be overcome in implementing a spendings tax? Are these obstacles likely to be conquered?

PROGRAM SUGGESTIONS AND RESOURCES

Savings and Tax Reform: One of the arguments in favor of a personal spendings tax is that it would not discriminate against savers and thus would not distort choices about saving and spending as the income tax does. Probe this argument in a discussion with a local tax expert and an officer from a bank or savings and loan association. Encourage your audience to evaluate how this particular reform would affect their economic decision-making.

Consumption vs. Income: How do the personal spendings tax and income tax compare in the eyes of various concerned publics? Arrange a debate featuring a government fiscal official, a representative of the chamber of commerce, a labor union leader, and a member of a tax reform organization. Conclude the meeting by taking a vote to determine your group's tax preference.

A Good Reform?: A personal spendings tax may compare favorably with the current income tax and yet not meet satisfactorily the tests of a good tax. Using the criteria discussed by Professor Break in course article three, evaluate the personal spendings tax. An economist or tax authority can serve as moderator of your group's discussion.

10. Political Trust and a Uniform Income Tax

> Who wants to bankrupt cities or to depress the housing industry in an era of high unemployment by eliminating deductions that help them? Yet who wants to perpetuate privilege? Evidently, the trick is to get from where we are to where we would like to be without making most people worse off on the way. *Aaron Wildavsky*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part Three for articles by Stanley S. Surrey, George Gallup, William Fellner, and others on the themes of "Political Trust and a Uniform Income Tax."

From Popular Periodicals: Elimination of the deduction for business luncheons faces stiff opposition from the hotel, restaurant, and entertainment industries, according to "Curbing the Three-Martini Lunch: Does Carter have a Chance?" in the December 5, 1977, issue of *U.S. News & World Report* (pp. 87–88).

The elimination of deductions will have a disastrous effect on philanthropy, warns Wade Green, writer for the Commission on Private Philanthropy and Public Needs, in "Farewell to Alms" in the May 23, 1976, issue of *The New York Times Magazine* (pp. 36–38+).

Reduced tax rates are possible if some popular deductions are abolished, according to a tax reform package proposed by the U.S. Department of Treasury. For a summary of this proposal, see "If Carter Really Wants A Simple Tax Plan" in the January 31, 1977, issue of *U.S. News & World Report* (pp. 72–73).

Economic benefits derived from employment should be taxable income, argues IRS Commissioner Jerome Kurtz in "Next: You'll Pay Taxes on Your Fringe Benefits" in the July 18, 1977, issue of *U.S. News & World Report* (pp. 26–28).

BOOKS TO REVIEW

Problems to Keep in Mind When It Comes to Tax Reform by William Fellner. The difficulties inherent in a flat rate income tax are explored in this sophisticated statement.

Individual Income Tax Erosion by Income Classes by Joseph A. Pechman and Benjamin A. Okner. This study reveals the effect of tax provisions on people with varied incomes.

SUGGESTED DISCUSSION QUESTIONS

How does a flat-rate income tax measure up to the criteria of a good tax system? What is its most serious flaw in your opinion. Please explain.

What are the advantages and disadvantages of direct government subsidies of institutions and industries that now benefit from tax breaks?

How does a uniform income tax compare with a spendings tax? What advantages and problems do they share? Which do you prefer? Why?

How would a uniform income tax help restore confidence in government? Would this be offset by the proposed direct subsidies?

How would other tax reform proposals affect public confidence in government? How important, in your opinion, is the likely effect of any tax reform on attitudes toward government? Please explain.

PROGRAM SUGGESTIONS AND RESOURCES

Three-Martini Lunch: Among the deductions eliminated in a uniform income tax would be the currently controversial business lunch. Explore this controversy in a panel discussion. Panelists could include representatives of a local chamber of commerce, a hotel-restaurant association, labor union, a tax reform association, and the Internal Revenue Service. A professor of business from a local community college, college, or university could serve as moderator.

Who Benefits? It is commonly assumed that the elimination of deductions that primarily benefit the well-off would result in substantial tax revenue increases. Probe this assumption in discussion with a tax economist or professor of administration from a local educational institution. Encourage your speaker to focus on the most common deductions, the revenue lost, and the economic groups that benefit most. Conclude by asking your audience if they would be willing to give up particular deductions to achieve a lower, fairer income tax.

Feeling the Pinch: Certain industries and nonprofit organizations fear a drastic decline in revenue if favor-

able income tax deductions are eliminated. Invite representatives of these industries—hotel-restaurant, housing, and insurance—and nonprofit organizations—museums, churches, and educational institutions—to share their concerns with your audience. A proponent of a uniform income tax may be called upon to answer the objections raised.

11.
The Corporation Income Tax:
The Need for Reform

> The corporation income tax is politically more popular yet economically more wasteful than any other major tax. Its political popularity stems from the sense that somehow the "rich corporations" bear the burden of the tax. Its economic wastefulness is due to the artificial barrier it erects to the efficient use of the economy's investable capital.
>
> *Arnold C. Harberger*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part Four for articles by Arnold C. Harberger, Edwin S. Cohen, Lester C. Thurow, and others on the themes of "The Corporation Income Tax: The Need for Reform."

From Popular Periodicals: Business views current tax reform proposals as anti-incentive, anti-investment, and antiforeign trade, writer R. R. Statham points out in "Tax Outlook: Hidden Traps for Business" in the November 1977 issue of *Nation's Business* (pp. 22–24).

Harvard professor emeritus Dan T. Smith evaluates proposals for ending double taxation of dividend income in "Relief from Double Taxation of Dividend Income" in the January 1977 issue of *Harvard Business Review* (pp. 87–94).

Integrating corporate and individual income taxes to end double taxation of dividend income is fraught with unexpected consequences, according to economist Charles E. McClure, Jr., and law professor Stanley S. Surrey in "Integrating Income Taxes: Issues for Debate" in the September 1977 issue of *Harvard Business Review* (pp. 169–181).

A controversial multi-state pact for taxing national corporations is explained in "Taxing the Multi-State Company" in the April 11, 1977, issue of *Business Week* (pp. 26–28).

BOOKS TO REVIEW

Taxation and Welfare by Arnold C. Harberger. This collection of analytical essays includes four on various aspects of the corporation income tax.

The Taxation of Income from Capital edited by Arnold C. Harberger and Martin J. Bailey. These theoretical and empirical studies focus on business and corporate taxes.

SUGGESTED DISCUSSION QUESTIONS

Why is there a corporation income tax? What popular attitudes toward business are reflected in this form of taxation?

Why, according to economists, is it impossible to tax a corporation? What impact does this taxation have on the capital market? On the yield of stock dividends? On the economy in general?

Explain the contention that the corporation income tax is inefficient. What is the impact of this inefficiency on the market economy?

Evaluate the concept of income integration. Do you favor full or partial integration or no integration? Explain your preference.

What are the barriers to income integration and the elimination of the corporation income tax? How can these be overcome?

PROGRAM SUGGESTIONS AND RESOURCES

Big Business, Big Tax: What is the impact of the corporation income tax on the balance sheet of big business, and how does it affect investment decisions? Explore these questions in a discussion among presidents of major businesses in your town. Focus the discussion on the impact of this tax on different, individual businesses and their investment decisions. A professor of finance or business administration could serve as moderator.

Sharing the Burden: One proposal for restructuring the corporation income tax is to integrate it, either fully or partially, with the personal income tax paid by shareholders. Evaluate this proposal in a panel discussion.

Panelists could include a local stock broker, a representative of the chamber of commerce, a tax accountant or expert, a professor of business administration, and a lawyer specializing in corporate law. Following the debate, poll your group to determine their preference in this matter.

The Cost of Doing Business: The corporation income tax is only one of many taxes paid by businesses. Invite a fiscal officer for a large local corporation to describe the company's tax burdens to your group. The presentation should include local, state, and federal responsibilities, the impact of these taxes on investment decisions, and the firm's position on such tax reforms as income integration.

12.
Local Government Tax and Revenue Reform

By almost any test for a good tax, the property tax fails. It is based on a form of wealth that may not reflect ability to pay. It taxes actual rather than optimal land use, . . . it does not readily respond to local economic growth. And it is costly to administer. *Roy W. Bahl*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part Four for articles by Arthur Lynn, Jr., Helen F. Ladd, Henry I. Aaron, and Robert D. Reischauer on the themes of "Local Government Tax and Revenue Reform."

From Popular Periodicals: The 167 percent increase in property taxes in the past fifteen years has led to citizen pressure for change, reports the January 17, 1977, issue of *U.S. News & World Report* in "Revolt Against Property Taxes" (pp. 81–83).

Reporter Calvin Trillin analyzes the defeat of a property tax referendum in "U.S. Journal: Rockford, Illinois" in the November 8, 1976, issue of *The New Yorker* (pp. 146–148+).

The responses of several states to citizen wrath over property tax inequities are summarized in "Homeowners Brew a Revolt" in the March 28, 1977, issue of *Business Week* (pp. 20–21).

BOOKS TO REVIEW

Financing State and Local Governments by James A. Maxwell and J. Richard Aronson. Changes that have occurred in fiscal relations among federal, state, and local governments are examined.

Fiscal Federalism by Wallace E. Oates. This comprehensive, theoretical, and empirical treatment of the economics of fiscal federalism explores the economic implications of the systems of multilevel finance.

SUGGESTED DISCUSSION QUESTIONS

What are the major weaknesses of local tax systems? How did subnational governments come to rely on these flawed systems for revenue?

What are the major flaws in the property tax? When initially brought into widespread use, did it function in accordance with the criteria of a good tax system? Explain your answer.

What problems in property tax systems are the result of its administration as a system? Can these problems—like unfair assessments—be resolved?

How has the property tax contributed to social divisiveness in this country? How can this "side-effect" be curbed?

What are some proposed alternatives to the property tax? How do these alternatives meet the test of a good tax system?

Can the property tax be reformed, or should it be abolished? Explain your view.

PROGRAM SUGGESTIONS AND RESOURCES

Struggle to Survive: Local governments, faced with a growing demand for services and rising costs for providing these services, are greatly concerned with generating local revenue through taxes. For a picture of fiscal problems and resources in your locale, invite the city, town, or county financial administrator to address your group. Ask your speaker to provide an historical perspective on the growth and corresponding revenue needs of local government.

A Fair Assessment: One of the most criticized functions within the property tax system is property assessment. Familiarize your group with this process and its pitfalls in a discussion with your local tax assessor. Following a general description of local assessment prac-

tices by the assessor, he or she could be quizzed by the audience or by a panel consisting of journalists, representatives of a homeowner's association, and a member of a tax reform organization.

Making the Best of a Bad Situation: In recent years, the property tax has come under fire as inelastic, inequitable, and undesirable; yet it predominates as the source of local revenue. Explore this controversial tax and the prospects for reform in a panel discussion. Panelists could include your representative in the state legislature, a local school official, the city or county fiscal officer, a professor of economics or public finance, the local assessor, and a representative of a homeowner's or tax reform organization. Prior to the discussion, view the film *Taxes—Somebody's Got To Be Kidding!*, a detailed examination of the property tax system and its reliance on assessments.

13.
New Tax Policy Options

> Studies of the impact of state and local taxes on income distribution find the system to be regressive: taxes are a higher percentage of income as income declines. The principal source of this regressivity is the substantial reliance upon property and sales taxes. *James A. Papke*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part Four for articles by L. R. Gabler, George F. Break, Charles J. Goetz, and Charles R. Weaver on the theme of "New Tax Policy Options."

From Popular Periodicals: Recent experiments involving a negative income tax or guaranteed income that ease the fears of detractors are reported in "Positive Values of the Negative Income Tax" in the November 29, 1976, issue of *Business Week* (pp. 62–64).

A complex formula used to determine federal aid explains the extreme variations in funds received by state and local governments, according to "Carving Up a $26 Billion Revenue Sharing Melon" in the October 11, 1976, issue of *U.S. News & World Report* (pp. 85–87).

Allocating of federal dollars through regional councils, viewed as one way to end disputes among local governments in a region, is explained in "Push to Tie Federal Spending to Area Needs" in the January 30, 1978, issue of *Business Week* (pp. 66–58).

A regional tug-of-war that has developed in the quest for federal dollars is reported in "Pork-Barrel War Between States" in the December 5, 1977, issue of *U.S. News & World Report* (pp. 39–41).

BOOKS TO REVIEW

Fiscal Relief for Troubled Cities by William Oakland. This monograph considers the reform options for dealing with the revenue shortfall facing big city governments.

Broad Based Taxes edited by Richard A. Musgrave. The chapter on property tax in this anthology reviews the importance of the property tax to local government finance, the problems with this tax, and options for reform.

SUGGESTED DISCUSSION QUESTIONS

What problems in implementing a tax system are created by the structure of state and local government? Their legal requirements and restrictions? Their financial needs?

How do the two major state/local taxes—sales and property tax—compare when measured against the criteria for a good tax system? What has led to the current reliance on these often-criticized taxes?

Evaluate some of the tax reforms suggested to make state/local taxes more equitable: realignment of tax responsibilities, direct property tax relief, revisions of retail sales tax, and reliance on personal income tax.

What are the advantages and disadvantages of the Single Business Tax recently adopted by Michigan? Would you like to see this tax enacted in your state? Please explain.

PROGRAM SUGGESTIONS AND RESOURCES

Equity Begins at Home: Both major local/state taxes—sales and property tax—have been the object of reform efforts to lessen their impact on low- and middle-class taxpayers. Explore the nature and impact of these experiments with a state and local fiscal expert. Suggest that your speakers evaluate the reforms in light of their effect on both government revenues and individual taxpayers.

The State's Business: Because the state and local taxes levied on business seemingly affect economic health, there have been several attempts to alter and reform the business tax structure. For insights into the business point-of-view, invite a representative of a local chamber of commerce to address your group. Following this presentation, discuss alternatives to the current tax structure, including the Single Business Tax, with a business or tax economist.

A Tangled Web: The interrelationships of state, federal, and local tax jurisdictions are confusing, overlapping, and competitive. To gain an understanding into these complex systems, invite an economist or public administrator who specializes in intergovernmental relations to address your group. Focus your speaker's presentation on the economic impacts of these jurisdictions on each other and on local taxpayers.

14.
Big Cities:
Financial Problems and Solutions

> But the roots of the problem did not appear suddenly thirty years ago. They go back to the very founding of our country, when power was divided between the federal government and the states. Because we were an agrarian society, cities, such as they were, were totally omitted from the division of authority. They became subordinate to the states with no meaningful link to the federal government.
>
> *Moon Landrieu*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part Four for articles by Mayor Kenneth A. Gibson, Gurney Breckenfeld, Bruce Wallin, and others on the themes of "Big Cities: Financial Problems and Solutions."

From Popular Periodicals: Former Wisconsin Governor Patrick J. Lucey blames complex federal regulations for forcing states and cities to "waste" much-needed tax dollars in "How Absurd Federal Rules Victimize the States" in the May 1977 issue of *Nation's Business* (pp. 43–46).

Federal spending and tax policies have reinforced the outflow of people, industries, and jobs from urban areas, according to "How Federal Policies Are Hurting the Cities" in the December 19, 1977, issue of *Business Week* (pp. 86–88).

Federal policies, allocations of aid, and prejudices have contributed to the fiscal crises in Northern cities, report urban scholars Susan S. Fainstein and Norman I. Fainstein in the May 1977 issue of *Society* (pp. 27–32).

BOOKS TO REVIEW

Modern Public Finance: The Study of Public Sector Economics by Bernard P. Herber. Focusing on the expenditure side of public finance, this study examines allocation of revenue, stabilization, and economic growth.

Property Taxation—USA by Richard W. Lindholm. These proceedings of a 1965 symposium provide an in-depth look at the form and dilemmas of property tax.

SUGGESTED DISCUSSION QUESTIONS

What historical phenomena contributed to the fiscal crises facing major American cities? In what ways are these phenomena related to the American form of government? Explain your answer.

How did social changes in urban environments affect city revenues? What steps have federal, state, and local governments taken to increase declining city revenues?

In what ways have modern tax systems contributed to the cities' problems? What reforms are necessary to raise needed revenues without over-burdening city residents? Are these reforms likely to be implemented?

What changes in government structure and policies are needed to aid troubled cities? What roadblocks do these changes face? Are they likely to be overcome?

PROGRAM SUGGESTIONS AND RESOURCES

Building Big Problems: The financial crisis facing America's cities, some experts argue, can be explained by reviewing a half-century of harmful federal policies. Explore this perspective with the help of a professor of urban studies, urban planning, or public administration. Following this historical review, invite your local Congressional representative or an official with the Department of Housing and Urban Development to outline current federal programs for troubled cities.

State of the City: In an era of "stagflation," cities of

all sizes have confronted fiscal problems of varying dimensions and impact. For a local perspective, invite your top city official—mayor or city manager—to review your city's financial status and to assess the impact of various existing and proposed federal programs, including tax reform, on local fiscal affairs. Encourage your speaker to focus also on city lobbying efforts in both the state and national capitols to bring about needed reforms.

Separate and Equal: Cities' lack of status and authority in America's federal system of government is frequently cited as a cause of modern urban problems. Convene a panel to debate proposed solutions to this dilemma. Panelists could include a city manager or chief fiscal officer, a political scientist, a professor of public administration, a representative of a tax reform association, a chamber of commerce member, and a member of a regional planning or government group. Following the discussion, ask your members to rank the proposed solutions in order of preference and feasibility.

15.
Prospects for Tax Reform

> Even quite mild-mannered people become involved in heated arguments over tax reform. What fuels their ire is usually a strong but largely undocumented sense that they are somehow being cheated and victimized by the system. . . . Logic suggests that if everyone feels this way, and to the same degree, the system must in fact be remarkably fair.
>
> *George F. Break*

BACKGROUND

From the Courses by Newspaper Reader Taxation: See Part Five for articles by George F. Break, Robert F. Brown, and Gerard M. Brannon on the themes of "Prospects for Tax Reform."

From Popular Periodicals: Political roadblocks that confront current tax reform proposals now being debated in Congress are analyzed by Senior Editor Elliot Marshall in "Not Too Taxing" in the February 4, 1978, issue of *New Republic* (pp. 9–11).

An uncertain economy, political pressures, and uncertainties about a new administration imperil tax reforms proposed by the Carter administration, reports Washington Editor Juan Cameron in "Tax Education of Jimmy Carter" in the January 16, 1978, issue of *Fortune* (pp. 54–58+).

BOOKS TO REVIEW

Broad-Based Taxes: New Options and Sources edited by Richard A. Musgrave. New sources of revenue analyzed include consumption and net-worth taxes, a national value-added tax, and a progressive personal expenditures tax.

Federal Tax Reform: The Impossible Dream? by George F. Break and Joseph A. Pechman. This Brookings Institution report evaluates major tax reform proposals, estimates the effect on revenues, and assesses the impact of change on various income groups.

SUGGESTED DISCUSSION QUESTIONS

What, in your opinion, should be the objectives of tax systems in the United States? Do these objectives differ for state, federal, and local jurisdictions?

What taxes are best suited to realizing these objectives? Explain your preferences.

What obstacles do reform of the system and specific taxes face? How do you evaluate the prospects for overcoming these roadblocks?

How can tax reform be presented and accomplished so that it appears to be in the best self-interest of the taxpaying public? Government officials? Elected officials?

What tax privileges, if any, are you willing to forego for the sake of overall reform?

PROGRAM SUGGESTIONS AND RESOURCES

A Consensus of Purpose: In addition to raising revenue, tax systems are viewed as serving multipurposed roles in the American way of government. Convene a panel to debate these purposes and how this decision would affect tax reform. Panelists could include a member of the chamber of commerce, a representative of a minority rights organization, a government fiscal officer, a representative of a tax reform or taxpayer's organization, and a professor of economics, political science, or public administration. At the conclusion of the debate, poll your members in an attempt to arrive at a consensus on this issue.

On the Federal Level: Reform of federal income tax and revenue allocations would have immense impact on the economy and subnational government. For two views on these complex issues invite your representative in Congress and highest local elected official to meet with your group. Encourage your speakers to assess the current tax systems from their particular perspective, to propose options for reform, and to describe roadblocks to their reform plan.

State and Local Reform: Recent reports of taxpayer revolts have focused on the lack of reform in state and local taxes. Explore these concerns, reform options and roadblocks in a discussion with a local council person and state legislator. A local tax attorney or professor of law or economics can serve as moderator. Following the discussion, invite members to rank in order of priority their goals for tax reform.

Section III/Resources

Organizations to Contact for Speakers and Information

Taxation, a subject of concern to all Americans, is the focus of numerous public and private organizations. Below is a sampling of organizations that can provide resources useful in planning and enriching community programs or class meetings. Other resources, too numerous to list completely, include federal, state, and local government officials, economists, tax accountants, tax attorneys, other fiscal experts, and the numerous taxpayer and tax reform associations now found in almost every state. Among other organizations useful in program planning are local libraries, unions, churches and synagogues, and ad hoc organizations formed around a specific issue.

ADVISORY COMMISSION ON
INTERGOVERNMENTAL RELATIONS
Washington, DC 20575

Established by Congress in 1959, the Advisory Commission on Intergovernmental Relations (ACIR) is a permanent, independent commission that monitors the operation of the American federal system and recommends improvements. Its members include twenty-six representatives of the executive and legislative branches of federal, state, and local government and the public. ACIR publications focus on commission research and policy over a wide range of intergovernmental issues, including taxation. Single copies of the publications listed below, as well as a complete listing, can be obtained free of charge from ACIR at the above address.

State Limitations on Local Taxes and Expenditures (A-64, $1.80). This 80-page report examines the restrictions that state governments have placed on the power of local governments to tax and spend.

Inflation and Federal and State Income Taxes (A-63, $2.10). ACIR recommendations for indexing the income tax to the rate of inflation are analyzed.

Measuring the Fiscal "Blood Pressure" of the States—1964-1975 (M-111, $1.30). This report discusses the concept of fiscal stress on state and local governments and examines the pros and cons of remedial federal action.

Improving Urban America: A Challenge to Federalism (M-107, $3.55). Urban America and its governmental capabilities are the subjects of this research report.

THE AMERICAN ASSEMBLY
Columbia University
New York, NY 10027

Capital needs of the United States was a topic of a recent meeting of leaders sponsored by The American Assembly, a national educational institution affiliated with Columbia University that seeks to stimulate discussion and independent conclusions in matters of vital public interest. Various proposals for tax reform designed to encourage saving and investment are summarized in the *National Report of the Fifty-First Assembly*. Single copies of this report are available free from the Assembly at the above address. In addition to the report, background discussion papers for the conference, written under the supervision of Eli Shapiro, Sloan Professor of Management at Massachusetts Institute of Technology, and William L. White, professor of economics at the Harvard Graduate School of Business, have been published under the title *Capital for Productivity and Jobs*. If this book is not available in a public or university library, it can be ordered in paperback at $5.95 per copy from Prentice-Hall, Englewood Cliff, NJ 07632.

AMERICAN COUNCIL FOR CAPITAL FORMATION
1425 "K" Street, N.W., Suite 1000
Washington, DC 20005

To encourage capital formation and to eliminate the bias against saving and investment in the federal tax system

is the goal of the American Council for Capital Formation, a federation of individuals, trade and union organizations, and businesses. Toward these ends, the American Council supports a comprehensive, nonpartisan program of public information designed to raise public awareness and build public support for the role of capital formation. As part of its public information program, the American Council publishes a monthly newsletter, *Newswatch*, and prepares position papers and testimony on such topics as capital gains taxes, income tax integration, and the corporate income tax. A packet of materials, including the monthly newsletter, is provided free of charge to American Council members. Membership is available for a contribution beginning as low as $5.00 annually for individuals and $500 annually for corporations. Samples may be obtained by writing the American Council at the above address.

THE AMERICAN ECONOMIC FOUNDATION
51 East 42nd Street
New York, NY 10017

"Headquarters for simplified economics," the American Economic Foundation strives to improve understanding of America's free market heritage. Focusing on the basic economic tenets, the Foundation prepares a monthly series of editorials, "Economic Facts of Life," that explain current economic developments such as tax and Social Security reform. Sample copies are available upon request and reprints are sold for a nominal fee. The Foundation also publishes *How We Live*, an economic primer that explains the free market system. Single copies at $1.00 each plus $.24 postage can be ordered from the Foundation at the above address.

AMERICAN ENTERPRISE INSTITUTE
FOR PUBLIC POLICY RESEARCH
1150 Seventeenth Street, N.W.
Washington, DC 20036

A center for the study of national problems, the American Enterprise Institute for Public Policy Research (AEI) fosters research and the exchange of ideas on public policy questions. Among their activities is a continuing series of forums that feature discussions by well-known experts on contemporary issues. Below is information about several of these forums relevant to the "Taxation" topics.

Financial Crisis in Our Cities (Order No. 5). The responsibilities of the federal, local, and state governments in solving the financial plight of America's cities are debated by U.S. Senators Jacob K. Javits and Charles Percy, New York Governor Hugh Carey, and Treasury Department official Sidney Jones.

Major Tax Reform: Urgent Necessity or Not? (Order No. 6). Economists Charles E. Walker and Henry S. Reuss analyze the present tax system and some proposals for reform.

Social Security: Universal or Selective? (Order No. 10). Economist Milton Friedman calls for a negative income tax to replace Social Security while his debate opponent Wilbur J. Cohen defends the basic elements of the present system.

Each of the forums listed above is available as a 16-mm film or audiocassette. Rental on the films is $95 per week. The audiocassettes can be purchased for $7.50 each. To order these materials, write BNA Communications, Incorporated, 9401 Decoverly Hall Road, Rockville, MD 20850. Payment must accompany all orders under $10.00.

In addition to the forums, the following AEI publications could serve as background sources for the "Taxation" topics. All can be ordered from AEI at the above address.

Problems to Keep in Mind When It Comes to Tax Reform by William Fellner (0-8447-3266-4, $2.25). An AEI resident scholar and Sterling professor of economics emeritus at Yale University, the author offers suggestions for the systematic elimination of the tax-raising effects of inflation and the termination of the double taxation of dividends. (A portion of this publication is excerpted in the Courses by Newspaper Reader *Taxation.)*

Women and Social Security: An Institutional Dilemma by Marilyn R. Flowers (0-8447-3259-1, $2.25). This study by an Oklahoma economist focuses on ways to equalize the benefits for male and female beneficiaries under Social Security.

Social Security Financing Proposals by Rudolph G. Penner (0-8447-1074-1, $2.00). The author discusses recommendations for reform of Social Security financing and the indexing of benefits to eliminate the effects of inflation.

Does the Government Profit From Inflation? (0-8447-2103-4, $2.00). The impact of inflation on America's progressive income tax is debated by a panel of economists.

The Future of the Social Security System (0-8447-2114-X, $2.00). Panelists including James B. Cardwell, Commissioner of the Social Security Administration, evaluate programs for meeting the rising costs of Social Security.

AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS
815 Sixteenth Street, N.W.
Washington, DC 20006

One of the nation's larger labor organizations, the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) keeps its members informed of tax reform proposals in both its weekly newspaper, *AFL-CIO News*, and monthly magazine, *Federationist*. Copies of these publications, which feature the viewpoint of organized labor, are available at local libraries and union headquarters. Up to fifty copies of reprints of recent *Federationist* articles such as "Revenue Sharing: The New States Rights" and "State/Local Taxes: A Study of Inequity" are available from the Pamphlet Division, AFL-CIO Department of Publications, at the above address. In addition, local union leaders could be tapped to bring labor's viewpoint to community discussions of modern tax systems. Check a local phone directory for the number of a nearby AFL-CIO office.

AMERICANS FOR DEMOCRATIC ACTION
1411 "K" Street, N.W.
Washington, DC 20005

Tax reform is a major concern of Americans for Democratic Action (ADA), a progressive, independent political action organization. ADA's postions on tax system problems are summarized in "A Guide to the American Loophole System: The ADA Tax Reform Manual." Copies of this publication, at $1.00 each, and of position papers on tax reform and economic planning are available from ADA at the above address.

THE BROOKINGS INSTITUTION
1775 Massachusetts Avenue, N.W.
Washington, DC 20036

To bring knowledge to bear on current and emerging public policy problems facing America is the principal purpose of the Brookings Institution, a private nonprofit organization devoted to research, education, and publications in economics, government, foreign policy, and the social sciences. Brookings research in economics has long specialized in economic growth and stability, public finance, and urban economics. Below is a sampling of Brookings publications in economics that could serve as background for the "Taxation" course.

Brookings Papers on Economic Activity (0-8157-0007-2303, $15.00). A journal devoted to timely analyses of current economic developments, this triannual publication offers authoritative, in-depth research studies on the current performance of the American economy. Editors are Arthur M. Okun and George L. Perry, both senior fellows at Brookings.

Setting National Priorities: The 1979 Budget, edited by Joseph A. Pechman (0-8157-6983-0, $5.95). The ninth in an annual series, this book by one of the authors of the Courses by Newspaper series, explains the President's budget, examines alternative policies, and evaluates the short- and long-run budgetary implications of the various options.

Comprehensive Income Taxation, edited by Joseph A. Pechman (0-8157-6981-4, $4.95). The outcome of a conference on the fundamentals of comprehensive income taxation, this volume includes discussions of such issues as the economic definitions of income, personal deductions, tax treatment of the family, and capital gains and losses.

Federal Tax Reform: The Impossible Dream? by George F. Break and Joseph A. Pechman (0-8157-1071-0, $5.95). The authors, both contributors to the Courses by Newspaper series, review the major controversial elements in the federal tax system and various proposals for reform.

The Individual Income Tax (Revised Edition) by Richard Goode (0-8157-3197-1, $5.95). This extensively revised edition takes account of changes in the law, updates statistics, and uses the findings of other research studies that have appeared in the past decade.

Inflation and the Income Tax, edited by Henry J. Aaron (0-8157-0023-7, $5.95). The authors analyze the effect of inflation on the tax burdens of both individuals and businesses and question whether a formal scheme for automatically adjusting the tax system for inflation is necessary.

Financing State and Local Government (Third Edition) by James A. Maxwell and J. Richard Aronson (0-8157-5511-2, $4.95). The authors examine the dramatic changes that have occurred in fiscal relations among the three levels of government.

To order these books or to request a complete publications catalogue, write to Brookings at the above address. Payment must accompany all orders from individuals. Brookings will pay postage on all U.S. prepaid orders.

THE BUSINESS ROUNDTABLE
1801 "K" Street, N.W.
Washington, DC 20006

405 Lexington Avenue
New York, NY 10017

Founded in 1972, the Business Roundtable is an association of business executives who examine public issues that affect the economy, develop position papers, and make these positions known to the public and its representatives in government. Members include some 180 chief executive officers of major companies in all fields located across the nation. This prestigious organization's views on tax reform are contained in a packet of materials prepared by the Roundtable's Task Force on Taxation and distributed to members of Congress and the Executive Branch. Dealing with the corporate income tax, investment tax credit, capital gains, and double taxation of dividends, these position papers are available free of charge from the Roundtable at the above address.

THE CENTER FOR THE STUDY
OF DEMOCRATIC INSTITUTIONS
Box 4446
Santa Barbara, CA 93101

Since its founding in 1959, the Center for the Study of Democratic Institutions has focused on identifying and exploring the basic issues of modern times. Below is a sampling of the audiotapes produced by the Center that are relevant to the "Taxation" topics. All recordings are available on both cassettes and five-inch, 3¾ ips half track, reel-to-reel tapes. For broadcast purposes, request tapes on 7½ ips full track. All tapes, unless otherwise noted, are $8.50 each. A complete list of publications and tapes is available from the Center at the above address.

The Role of Government in the Economy (29¼ min.). To gain economic stability, Swedish economist Gunnar Myrdal suggests that America's economic power be returned to the smaller components of government.

Inflation, Recession, and a New Approach to Both (59¾ min.). Economist Leon Keyserling proposed some drastic remedies to stem soaring prices, unemployment, and public despair.

CHAMBER OF COMMERCE OF THE UNITED STATES
1615 "H" Street, N.W.
Washington, DC 20062

The Chamber of Commerce of the United States, as well as local chambers across the country, are concerned with changes in the tax systems that affect businesses and their executives. In addition to serving as a source of speakers, the Chamber of Commerce makes available free of charge a collection of position papers on tax reform. Prepared by the Chamber's Tax and Finance Section, these reports analyze the current administration's tax package, including provisions on investment tax credit, double taxation of dividend income, capital gains, and business expense deductions. If not available from local chambers, these materials can be requested from the national headquarters at the above address.

COMMITTEE OF SINGLE TAXPAYERS
1628 21st Street, N.W.
Washington, DC 20009

Founded in 1971 by bachelor-businessman Robert Keith Gray, former secretary to the Eisenhower Cabinet, the Committee of Single Taxpayers (CO$T) pushes to establish a uniform tax rate for both married and single taxpayers. A short history of this organization plus summaries of its findings and recommendations for eliminat-

ing discrimination in the tax system can be found in *Singled Out*, a newly-published CO$T brochure. Copies are available free of charge from CO$T at the above address.

COUNCIL OF ECONOMIC ADVISERS
Office of the President
Washington, DC 20506

Since 1946, the Council of Economic Advisers has helped the President of the United States develop and evaluate national economic policies by analyzing economic programs and interpreting trends and changes in the economy. One major function of the Council is the annual preparation of the *Economic Report of the President* to Congress. The 1978 volume includes analyses and recommendations for income, business, and Social Security tax changes as well as the President's message to Congress. If this report is not available in the government documents section of local or university libraries, it can be obtained from the Council at the above address or ordered from the Superintendent of Documents, U.S. Government Printing Office (Stock Number 040-000-00389-4), Washington, DC 20402.

THE COUNCIL OF STATE GOVERNMENTS
Iron Works Pike
Lexington, KY 40578

Designed to strengthen state government and preserve its role in the American federal system, the Council of State Governments is a joint agency of all the state governments. It conducts research on state programs and problems, maintains an information service available to state agencies, issues a variety of publications, assists in state/federal liaisons, and promotes regional and state/local cooperation. Council staff could be contacted to serve as resource persons on "Taxation" topics dealing with state and local tax problems and policy options. In addition to the headquarters office listed above, the Council has offices in New York City, Chicago, Atlanta, San Francisco, and Washington, DC.

Among the many publications prepared by the Council, the following could serve as sources of background information for group leaders, teachers, and students alike:

The Older Americans: Issues in State Services (RM584, $4.50). A review and analysis of state tax policy for the elderly are included in this comprehensive collection of policy papers on issues affecting older Americans.

State Government ($10 annually). In this journal of state affairs, state officials, academicians, and others provide expert analyses of state governmental problems.

State Government News ($10 annually). This monthly newsletter presents newsworthy developments plus annual summaries of legislative actions for each state.

Limitations on State Deficits (RM577, $3.00). Questions on deficit finance and spending by state governments are addressed in this report.

These publications and a complete catalogue of Council materials can be ordered from the Order Department, The Council of State Governments, P.O. Box 11910, Iron Works Pike, Lexington, Kentucky 40578. There is a $.75 handling charge on all orders except those which are accompanied by payment. Discounts are available for bulk orders.

DEPARTMENT OF THE TREASURY
15th Street and Pennsylvania Avenue, N.W.
Washington, DC 20220

The Department of the Treasury has general responsibility for various fiscal functions of the government including tax collection, debt management, and monitoring of the economy. In meeting these charges, the Department of the Treasury assists the Executive Office in preparation of the President's annual tax message. Complimentary copies of the 1978 message, *The President's 1978 Tax Program*, and supporting analyses are available from the Department at the above address.

FEDERATION OF TAX ADMINISTRATORS
444 North Capitol Street, N.W.
Washington, DC 20001

To advance the standards of tax administration is the goal of the Federation of Tax Administrators, a nonprofit corporation sponsored by the tax departments and tax collecting agencies of the states. Members of the Federation, found in state, federal, and municipal governments throughout the United States, would be excellent resource persons for programs on tax systems,

particularly those dealing with intergovernmental relations. The Federation also regularly publishes compilations of Congressional bills on federal, state tax matters. A listing of these publications is available from the Federation at the above address.

INTERNAL REVENUE SERVICE
Department of the Treasury
1111 Constitution Avenue, N.W.
Washington, DC 20224

The Internal Revenue Service (IRS) is charged with collecting the United States individual and corporate income tax, social insurance and retirement tax, and excise, estate, and gift taxes. Enforcing the tax laws and assisting the public in complying with those laws is also part of the IRS's mission. Toward this end, the IRS has established regional and district offices and service centers throughout the country. Staff at the fifty-eight district offices and ten service centers can be asked to serve as resource persons at community meetings and classroom sessions on "Taxation" topics. If one of these offices is not listed in a local phone directory under U.S. Government, contact one of the regional offices located in Cincinnati, Philadelphia, Chicago, New York City, Atlanta, Dallas, and San Francisco.

INTERNATIONAL TAX INSTITUTE, INC.
70 Pine Street
New York, NY 10005

A professional organization of tax executives, lawyers and accountants, the International Tax Institute, Inc. (ITI), is concerned with developments affecting taxation of the income of U.S. corporations from international trade and business activities abroad. Toward this end, ITI testifies and files statements at all public hearings held by Congress involving the taxation of foreign source income. Position papers presented at these hearings, as well as copies of materials recently mailed to members, are available free of charge upon request to ITI at the above address.

NATIONAL ASSOCIATED BUSINESSMEN
1000 Connecticut Avenue Building
Washington, DC 20036

Since 1964, National Associated Businessmen (NAB) has compiled the votes of members of Congress as they relate to economy in government. Frequently this study contains votes on federal programs designed to aid state and local governments. The *Economy Voting Record* for the first and second sessions of the 94th Congress is available for $.35 each (in quantities from one to forty-nine) from NAB at the above address.

NATIONAL ASSOCIATION OF MANUFACTURERS
1776 "F" Street N.W.
Washington, DC 20006

Representing the nation's largest industries, the National Association of Manufacturers is vitally concerned with government fiscal policy. The Association's positions are collected in *Fiscal Policy, Employment and Tax Reform*, a booklet available at $.25 each from the above address. Local members of the Association can be called upon to present the views of big business in discussions of "Taxation" topics.

NATIONAL COUNCIL OF SENIOR CITIZENS
1511 "K" Street, N.W.
Washington, DC 20005

Building meaningful cost of living increases into Social Security payments is a goal of the National Council of Senior Citizens, a nonprofit, nonpartisan federation of senior citizens' clubs. Updates on proposed legislation dealing with Social Security and other tax relief measures for the elderly are featured regularly in the Council's newsletter, *Senior Citizen News*. Sent free to members, this newsletter is available to the general public for $3.50 annually by writing the Council at the above address. Members of local councils could serve as speakers for discussions of Social Security and tax deductions that benefit the elderly. If a local council is not listed in the phone directory, contact the national office at the above address for information about a nearby club.

NATIONAL LEAGUE OF CITIES
1620 Eye Street, N.W.
Washington, DC 20006

The National League of Cities is the national action arm of the nation's cities. Included in its membership are forty-eight state municipal leagues and their member cities—15,000 cities in all. Below is a sampling of League publications relevant to the "Taxation" topics.

Nation's Cities ($20 annually). Published monthly, this magazine features stories, news items, and syndicated coverage on events that are shaping cities' futures. Special issues of *Nation's Cities* on "Municipal Money" and "The State Role In Urban Affairs" are available for $3.00 each.

Municipal Taxing Powers and State Aid for Municipalities (76N701, $7.00 for members, $10 for all others). This survey, updated annually, provides a composite national picture of state and local sources of municipal revenues.

Revenue Sharing—A Guide to the State and Local Fiscal Assistance Act of 1976 (76N700, $10 for members, $20 for all others). This two-volume set contains complete information on the provisions of the bill and an analysis of its regulations.

State of the Cities 1976: Into the Third Century (76N700, $3.00). This report surveys urban conditions in America and assesses the strength and direction of trends important to the quality of urban life.

Study of Charge Financing for Local Government Services: City of Albuquerque (UOP3, $7.00). This study evaluates the prospects for more extensive use of service charges by the City of Albuquerque to meet additional revenue needs.

Alternative Methods for Financing Public Services: The Case of Education and Welfare (UOP10, $6.50). The tax burden changes that occur as selected local services are shifted to state government are analyzed in this report.

Information for Fiscal Decision-Making: A Summary (UOP27, $3.00). The method and findings of a project using an information base for fiscal decision making are summarized in this report.

National Municipal Policy (77NMP, $5.00 to members, $10 to all others). Policy statements on issues of concern to the nation's cities are compiled in this annual publication.

These publications, as well as a complete publication list, are available from the League at the above address. Payment must accompany all orders of less than $50. Add $.50 for postage and handling for orders under $10; $1.00 for orders over $10.00.

NATIONAL MUNICIPAL LEAGUE
47 East 68th Street
New York, NY 10021

Founded in 1894, the National Municipal League is a citizen's organization that focuses on making local and state government more effective, representative, responsible, and responsive. Toward this end, the League conducts research, holds conferences, and develops guides, model laws, and other materials for use by citizens and government officials. Its monthly journal, *National Civic Review*, includes a regular section that reports on state and local taxation and finance. If this publication is not in local libraries, it can be ordered for $15 annually plus $.50 for handling from the League at the above address. Payment must accompany orders. In addition, local League members can be contacted to explain the League's position on intergovernmental relations and fiscal controls.

NATIONAL SMALL BUSINESS ASSOCIATION
Jefferson Building
1225 Nineteenth Street, N.W.
Washington, DC 20036

Founded in 1937, the National Small Business Association (NSB) is the oldest organization in the United States representing independent business. As the "voice of small business in Washington," NSB testifies before Congress on matters affecting the small business community, including tax reform. Copies of recent testimony on the administration's tax proposals are available from NSB at the above address.

NATIONAL TAX ASSOCIATION—TAX INSTITUTE OF AMERICA
457 Nassau Street
Princeton, NJ 08540

Active for more than seventy years, the National Tax Association—Tax Institute of America was formed to

educate the public on matters of taxation and public finance. Members include federal and state tax officials; attorneys; accountants; economics, law, and business professors; research organizations; and representatives of associations and corporations. The Association promotes the study of these areas by conducting conferences and symposiums on tax problems and providing sources of information through library and biographical services. Research and conference proceedings are regularly published in the Association's quarterly publication, *National Tax Journal*. The Association also compiles and publishes semiannually the *Tax Institute Bookshelf*, a comprehensive index of public finance materials. Available free of charge to members, sample copies of these publications plus a complete list of publications are available to the public upon request to the Association at the above address.

NATIONAL TAX EQUALITY ASSOCIATION
1000 Connecticut Avenue Building
Washington, DC 20036

Founded in 1943, the National Tax Equality Association (NTEA) strives to eliminate biases in the federal tax laws that favor cooperative enterprises over independent businesses. According to NTEA, coops enjoy enormous tax breaks because they are not required to pay federal income tax on profits retained or returned to their owners. This provision, NTEA argues, fosters unfair competition and produces a substantial loss of federal revenue. A packet of information about NTEA and its positions is available free of charge upon request from NTEA at the above address.

NATIONAL URBAN LEAGUE
500 East 62nd Street
New York, NY 10021

The impact of taxation on minorities and the urban environment are among the concerns of the National Urban League. Leaders of local leagues, located in more than 140 American cities, could serve as speakers and panelists on a variety of "Taxation" subjects. To contact the nearest League, check a local phone directory or contact the National Urban League regional offices in New York City, Atlanta, Chicago, or Los Angeles.

The following Urban League publications may be useful sources of data on the economic condition and concerns of "black America."

The State of Black America, 1978 ($1.50). The economy and unemployment in the black community are discussed in this annual survey.

Income Maintenance: The National Urban League Position ($1.00). This detailed document calls for a merger of the welfare and tax systems to bring about the elimination of poverty.

Inflation and the Black Consumer ($1.25). The decline in purchasing power among blacks as a result of inflation is documented in this report.

Copies of these publications can be ordered from the Communications Department at the above address. Make checks payable to the National Urban League and add $.50 for handling.

OFFICE OF MANAGEMENT AND BUDGET
Executive Office of the President
Washington, DC 20503

The Office of Management and Budget (OMB) annually prepares the budget documents sent by the Executive Office of the President to Congress. Data and analyses relating to the 1979 budget are published in the following five documents:

The Budget of the United States Government, 1979 ($4.00). Included in this comprehensive report are the President's Budget Message, an overview of spending programs, an analysis of estimated receipts, Presidential tax proposals, a description of the budget system, and summary tables.

The Budget of the United States Government, 1979—Appendix ($12.00). Containing more detailed information than other budget documents, the appendix includes specific data on the budget requests of each federal agency.

Special Analyses, Budget of the United States Government, 1979 ($3.25). Sixteen special program areas are highlighted in this detailed document.

The United States Budget in Brief, 1979 ($1.75). Summary and historical tables on the federal budget and debt are included in this concise, less-technical overview of the 1979 budget.

Federal Government Finances (no charge). Prepared periodically, these statistical tables include historical comparisons of major government spending programs.

If not available in local or university libraries, a sample copy of *The United States Budget in Brief, 1979* is available from OMB at the above address. The other documents are for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

SOCIAL SECURITY ADMINISTRATION
Department of Health, Education and Welfare
Washington, DC 20201

The Social Security Administration (SSA) is charged with the supervision and implementation of the various income maintenance, health insurance, and medical assistance programs that come under the umbrella of the Social Security Act. Since the original legislation was enacted in 1935, SSA has published data on Social Security programs and beneficiaries that provide a background for understanding the current financial concerns. Below is a summary of several publications of value to participants in Courses by Newspeper's "Taxation" program. All can be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

Social Security Programs in the United States (GPO Stock No. 1770-00218, $1.20). Last updated in 1973, this publication gives a historical overview of America's income-maintenance programs—especially those in the public sector.

Social Security in the Coming Decade: Questions for a Mature System (Social Security Bulletin, March 1976, $1.25). This summary of the forty-year history of the Social Security program includes data on demographic shifts and their implementations for the program's future.

Reducing Social Security Contributions for Low-Income Workers: Issues and Analysis (GPO Stock No. 1770-00253, $2.65). A collection of papers on Social Security tax relief for the working poor includes discussion of methods of financing tax relief.

Social Security Programs Throughout the World, 1975 (GPO Stock No. 017-070-0279-0, $4.15). Included in this research report are tabular summaries of Social Security programs in 128 independent countries.

In addition to its statistical research, SSA maintains offices in most major American cities to serve its growing number of constituents. Staff employed at these offices could be called upon to serve as resource persons in debates and panel discussions. Check phone directories under the U.S. Government listings for the number of the nearest office.

TAX ANALYSTS AND ADVOCATES
2369 North Taylor Street
Arlington, VA 22207

A charitable and educational group, Tax Analysts and Advocates conducts policy-relevant research on taxation and disseminates their findings to policy makers, academicians, lawyers, accountants and the general public in its weekly magazine *Tax Notes*. Written for laypersons in clear, nontechnical language, *Tax Notes* features reports on recent research, on current legislative actions, and on Internal Revenue Service rulings. Recent issues included articles by Otto Eckstein of Harvard University on proposed tax cuts, Walter W. Heller of the University of Minnesota on the administration's tax proposals, and Russell E. Train of the Environmental Protection Agency on effluent taxes. An annual subscription is $69.50; twelve-week trial subscription is $20.00. Tax Analysts and Advocates also will locate and send the complete text of any document summarized in *Tax Notes*. The billing and service charge for this complete Access Service is $4.00 per order regardless of the number of documents requested. In addition there is a copying and first class postage charge of $1.00 per document, except for documents longer than twenty pages, which cost $.05 per page. To subscribe to *Tax Notes* or to obtain additional information, contact Tax Analysts and Advocates at the above address.

TAXATION WITH REPRESENTATION
2369 North Taylor Street
Arlington, VA 22207

Taxation with Representation (TWR) is a nonprofit public interest taxpayer's lobby founded in 1970 by a former attorney in the Treasury Department's Office of

Tax Policy. In addition to its lobbying on behalf of such tax reform proposals as corporate-personal tax integration and elimination of capital gains preferences, TWR annually compiles the tax reform voting records of every member in Congress. This survey and other taxation news are summarized in TWR's monthly newsletter. For a free copy of the voting records study or to order the newsletter at $15 annually (includes a TWR membership), contact TWR at the above address.

TAX FOUNDATION
50 Rockefeller Plaza
New York, NY 10020

Founded in 1937, the Tax Foundation is engaged in nonpartisan research and public education on the fiscal and management aspects of government. The following Foundation publications could be helpful to those seeking background on "Taxation" topics.

Facts and Figures on Government Finance, 1977 ($10.00). This annual compilation contains current and historical data on revenue, expenditures, debt, and tax rates of federal, state, and local governments.

Tax Review. Issued monthly, this newsletter contains brief articles on current problems in government finance and administration by leading national authorities or the Foundation staff. Single copies of the last 12 issues are available free from the Foundation at the above address.

Property Taxation in Government Finance by C. Lowell Harris ($2.50). An economist explains the functions of the property tax and discusses alternatives for improving its administration.

The Financial Outlook for State and Local Government to 1980 ($2.50). This staff report assesses the overall financial outlook of subnational government for the 1970s.

The Challenge of Tax Reform, report of the 24th National Conference, 1972 ($5.00). Leading authorities and public officials review alternatives for new revenue, capital needs, savings, and jobs.

Choices in 1974 Tax Revision, a report of the 25th National Conference, 1973 ($4.00). Proposals presented to Congress dealing with tax revision and capital formation are analyzed.

Tax Revision in an Inflationary Era, a report of the 26th National Conference, 1974 ($5.00). Federal taxation of business and individuals in relation to inflation is explored.

The Foundation also has prepared bibliographies that could be useful to students and teachers doing research on "Taxation" topics. Single copies of the following bibliographies are available free by writing the Foundation at the above address: "Federal Capital Gains and Losses Taxation, 1973," "State and Local Taxation of Business, 1974," "State Government in Urban Problems, 1974," "Financing the Social Security System, 1975," and "Inflation and Tax Rates, 1975."

TAX REFORM RESEARCH GROUP
133 "C" Street, S.E.
Washington, DC 20003

Established by Ralph Nader to work for reform of income, property, and other taxes, the Tax Reform Research Group lobbies Congress to protect the interests of middle-income taxpayers and consumers and works to reform the operation of the Internal Revenue Service. Many of this group's findings and positions are published in *Tax Politics: How They Make You Pay and What You Can Do About It* ($6.95 paper, Pantheon Publishers). Written by Robert M. Brandon, Jonathan Rowe, and Thomas H. Stanton, this book explains the tax system and suggests ways the average taxpayer can change it. If this book is not available at a local or university library, it can be ordered from Public Citizen, P.O. Box 19404, Washington, DC 20036. Also available from Public Citizen are subscriptions to *People & Taxes*, the monthly newsletter of the Tax Reform Research Group that features analyses of tax reform proposals. Subscriptions are $7.50 annually for individuals and $12.00 annually for businesses, professionals, and institutions.

THE TWENTIETH CENTURY FUND
41 East 70th Street
New York, NY 10021

Policy-oriented studies of economic, political, and social issues and institutions are the focus of the Twentieth Century Fund, a research foundation established in 1919. Findings from research supported by the Twentieth Century Fund and conducted by the Fund's staff as well as independent scholars are published in book-

length studies by a variety of publishers. Below is a sampling of publications relevant to "Taxation" that likely will be available in local libraries or bookstores.

Building A Broader Market ($7.95 cloth, $3.95 paper, McGraw-Hill Book Company). A report of the Twentieth Century Fund Task Force on the Municipal Bond Market. Included in this report on strengthening the municipal bond market are suggested ways to aid financially ailing cities in periods of fiscal emergency.

Public Employee Pension Funds by Robert Tilove ($20, Columbia University Press). The comprehensive examination of public employee pension funds recommends that they be integrated with Social Security if a taxpayer revolt is to be averted.

A Nice Place to Live ($5.00, Kraus Reprint Company, Route 1, Millwood, NY 10546). A report of the Twentieth Century Fund Task Force on Prospects and Priorities of New York City. A strategy for resolving some of the city's most critical problems is recommended by ten distinguished New Yorkers.

U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
Washington, DC 20410

To promote sound community development and to supply decent shelter are the responsibilities assigned to the U.S. Department of Housing and Urban Development (HUD). Because of their focus on the improvement of American cities, two HUD research projects are relevant to the study of "Taxation" topics. The first aims to provide cities with information and techniques that can generate needed revenue and make optimum use of limited funds. Major emphasis is on the development and testing of new financing methods which have already shown potential in local situations. The second project is a demonstration program, cofunded by HUD and the Departments of Labor and Commerce, to generate jobs and revitalize cities. One result of this undertaking is the development of a new municipal revenue forecasting system that uses econometric methods. Information on these projects is available from area HUD offices located in most major cities or from the Office for Policy Development and Research at the above address.

THE URBAN INSTITUTE
2100 "M" Street, N.W.
Washington, DC 20037

Established in 1968, The Urban Institute is a nonprofit research organization that focuses on topics vital to state and local governments. Below is a sampling of Institute publications related to the "Taxation" topics. All can be ordered from the Institute's Publications Office at the above address. Orders under $25 must be accompanied by payment.

The Urban Predicament edited by William Gorham and Nathan Glazer (URI No. 14500, $4.95). Experts analyze problems, including those of local government finance, from the perspective of underlying causes and stress guidelines for government action.

Fiscal Interactions in a Metropolitan Area by Kenneth V. Greene, William B. Neenan, and Claudia D. Scott (URI No. 73000, $10). Focusing on the Washington, D.C., metropolitan area, the complex flows of benefits and taxes between a central city and its suburbs are documented.

Property Tax Reform edited by George E. Peterson (URI No. 49000, $4.95). Nine experts debate a wide range of reforms such as shifting part of the property tax to the state level, relying more heavily on user charges, upgrading assessments, and circuit-breaker mechanisms.

STATE HUMANITIES COMMITTEES

The state-based humanities committees, funded by the National Endowment for the Humanities, were formed to stimulate dialogue between humanists and the public on matters of social concern. Community programs based on the Courses by Newspaper series may qualify for funding. For additional information on opportunities for financial assistance and funding guidelines, consult your state committee. Below are the names of executive directors and address and phone numbers of state humanities committees.

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Section IV/Films

An Annotated List Compiled by the Educational Film Library Association

The following is a selected list of films that relate to the *Taxation: Myths and Realities* program of Courses by Newspaper. The film list is short, as the subject is not one that ordinarily lends itself to the visual medium of film. In addition, changes in taxation laws render expensively produced films obsolete in a matter of years.

Each entry in this film list contains a primary sales source, with mailing address. Many of these films also will be available from your local public library film department on a free-loan basis or from a university film rental library at a modest rental fee for classroom use.

If programming films is a new experience for you, you will find some helpful and practical advice in a booklet entitled *Leading Film Discussions*, by Madeline S. Friedlander, published by the League of Women Voters, 817 Broadway, New York, NY 10003. Price: $1.50.

For additional information about films or programming advice, contact the Educational Film Library Association (EFLA), 43 West 61st Street, New York, NY 10023. Telephone: (212) 246-4533.

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ANATOMY OF WELFARE
36 min., color, 1971.
Producer: Ernest Pendrotti for ABC News.
Distributor: McGraw-Hill Films.

Most taxpayers are aware that a percentage of their taxes helps to support the welfare system. But many are not aware of how the system actually functions and the effect it has on recipients. This documentary explores the social problems created by the welfare system by documenting the case histories of an unemployed middle-class white male and his family, and an impoverished black family without a father. Also includes interviews with politicians, social workers, and employed "middle Americans."

See also Frederick Wiseman's WELFARE (167 min., b&w, 1975, Zipporah Films), a compelling study which follows the day-to-day activity of clients, workers, and administrators at a large welfare center in New York City. Illuminates the frustrations of dealing with a bureaucracy and illustrates how the system affects both those who administer welfare and those who receive it.

BUREAUCRACY
16 min., color, 1976.
Producer: Debra Kram for ABC News.
Distributor: McGraw-Hill Films.

Examines problems encountered in reducing government bureaucracy and increasing housing programs for the elderly. Focuses on a public housing project that took two-and-a-half years to complete and the hardships suffered by those who waited to occupy it. Presents little new information, although the interviews with senior citizens are effective. May be beneficial to administrative groups studying the problems of the aged.

THE DAY THEY HAD TO CLOSE THE SCHOOLS
28½ min., color, 1970.
Producer: CBS News.
Distributor: CBS Consumer Publishing.

Ross High School in Fremont, Ohio, is caught in the squeeze between growing voter resentment toward the education establishment and resistance to higher property taxes, and the rising cost of public education. Focuses on the emotional and economic issues that deter adequate financing in many American schools, and offers a contrast with a smoothly operating school system in Hawaii.

Note: This film is currently for sale only, without preview, from CBS. Some public libraries and university rental libraries may have prints available for loan.

THE FIRE NEXT DOOR
52 min., color, 1977.
Producer: Tom Spain for CBS News.
Distributor: Carousel Films.

CBS correspondent Bill Moyers visits the South Bronx and probes the causes and effects of widespread arson. Effective passages focus on a group of young adults renovating abandoned buildings with the support of federal funds and an interview with former Bronx police commander Anthony Bouza, who points out the greater dangers that will result from continued neglect of rotting urban areas. Graphic depiction of urban ills leaves quite an impact. Wide audience appeal because of the prime importance of the issues presented.

Could be used to launch a discussion on the underlying causes of urban decay and the abandonment of buildings, including the fact that some landlords who can no longer afford to pay taxes on property simply abandon their buildings or arrange to have them burned down to collect insurance.

FISCAL POLICY: TAXING, GOVERNMENT SPENDING AND NATIONAL DEBT
29 min., b & w, 1970.
Director: Ken Johnson for University of Nebraska TV & Nebraska Council in Economic Education.
Distributor: Indiana University Audio-Visual Center.

A lecturer conducting the fiscal policy session of an economics course discusses important concepts. Unfortunately, he uses figures so dated as to be misleading: they were compiled in 1969. A chart of a budget shows the functions of the federal government. The impact of fiscal policy in relation to taxing and government spending is demonstrated. The effect of frequently changing tax rates on business is also discussed. Raises the question of how we allocate scarce resources among alternative needs, which is still a basic issue.

The format is dull and the quality of the kinescope poor, but the value lies in the clear presentation of the basic concepts.

GEORGE WASHINGTON AND THE WHISKEY REBELLION: TESTING THE CONSTITUTION
27 min., color, 1975.
Producer: Robert Saudek Associates.
Distributor: Learning Corporation of America.

This dramatization of the Whiskey Rebellion in 1794 focuses on an unpopular tax as a way to test the power of government and the principles of the Constitution.

The tax, imposed by Congress, raised revenue from distilled products and stills and aroused violent protests. George Washington contended that the Constitution required that laws be enforced. Compromises were discussed and representatives of the dissident group went to Congress. More details are included here than probably occurred; however, the role of the government in imposing taxes is emphasized.

The film is more about the Constitutional issue than about taxation; but it is an example of the people's reluctance to pay taxes and willingness to compromise when necessary. Engrossing and useful for a discussion of representative government.

GREEN THUMB: GROWING WITH RURAL AMERICA
17 min., color, 1976.
Director: Zoltan Toth.
Distributor: Green Thumb, Inc.

Depicts the innovative Green Thumb program, which utilizes the often forgotten and overlooked skills of the nation's elderly by employing rural, low-income senior citizens in a variety of projects for community service. Positive presentation of alternatives for the elderly and a refreshing change from other films, which highlight depressing aspects of aging and offer no solutions.

THE MATING GAME
97 min., color, 1959.
Director: George Marshall for Metro-Goldwyn-Mayer.
Distributor: Films Incorporated.

Comedy about an Internal Revenue Service official assigned to investigate a Maryland farmer who operates on a barter economy and has never paid taxes. Satirical treatment of the tax structure is outweighed by the romantic hi-jinks of Tony Randall, as the IRS official, and Debbie Reynolds as the farmer's daughter.

A MATTER OF INDIFFERENCE
50 min., b & w, 1974.
Director: Leonardo Dacchille.
Distributor: Phoenix Films.

Investigates the harsh social, political, and resulting psychological and physical realities of growing old in America. Pushes for interest and union from within the ranks of senior citizens; pushes *for* senior power and *against* the diversionary, shuffleboard isolationism that holds senior citizens down and out as a voice to contend with. Lets the visuals and the senior citizens speak for themselves. Activists—Maggie Kuhn, founder of the Gray Panther Movement; Hope Bagger, Gray Panther coordinator in New York; Max Manes, Chairman of the Seniors for Adequate Social Security—provide the focus of the film. Intelligent, contemporary, hardhitting. Would benefit from more than one viewing due to the amount of material discussed. From *Aging: A Filmography*, by Judith Trojan. EFLA, 1974.

Could be presented as background for the discussion of the problems of the Social Security system and subsisting on a fixed income in a period of rampant inflation.

MEDICINE AND MONEY
48 min., color, 1977.
Producer: ABC News.
Distributor: McGraw-Hill Films.

An investigation of the bulging costs that have helped make medicine the biggest industry in the country. Examines government-funded medical programs, fraudulent practices that have become prevalent, and discusses some alternatives to the present system. In-depth exposé with sufficient documentation and the element of advocacy. Timely presentation in light of current interest in medicaid fraud, socialization of medicine, and newly proposed health care plans.

THE MOONSHINE WAR
100 min., color, 1970.
Director: Richard Quine for Metro-Goldwyn-Mayer.
Distributor: Films Incorporated.

Action melodrama set in the days just before the repeal of Prohibition. A Revenue agent plots to confiscate a Kentucky moonshiner's bootleg whiskey and make a profit from it himself.

ONE WAY TO BETTER CITIES
29 min., color, 1970.
Producer: Harold Mantell for The Schalkenbach Foundation.
Distributor: Association Films.

Discusses the effect of the property tax on urban renewal. Improvements are taxed at two or three times the rate imposed on the land itself, which discourages change and leads to irrational practices. The bias here is for a single tax, namely on land only. Shows that the Verrazano Bridge (NY) was a windfall to land owners due to the increase in land values. Urban sprawl is caused by excessively low taxes on land, causing owners not to develop their property. Additional examples of the negative effect of unrealistically low taxes on land are contrasted with improvements brought about when land is properly assessed and taxed.

Many authorities are quoted; concludes by stressing the need for an informed public opinion. A film heavily slanted towards a particular point of view, favoring the single tax.

THE SLOANE AFFAIR
53 min., color, 1972.
Director: Douglas Jackson for the National Film Board of Canada.
Distributor: National Film Board of Canada.

A discrepancy of $8,200.00 reported by a tax assessor leads to the suspicion of income tax evasion and the discovery of a criminal tax fraud. Tells the story of an in-

vestigation by the Department of National Revenue of Canada who believes that the owner of a construction company may have transferred the cost of his home to a commercial tower which he owns. (There are similarities between the way in which a violation of the income tax law is investigated in the United States and in Canada.)

The secretary-treasurer of the company at first appears to be giving most of the orders, but it becomes evident that the owner himself has used his considerable power to have false invoices issued, supposedly as a "favor." These include: dividing the cost of a large party into 12 parts and adding one each month for a year to the construction bills, as well as the more frequent device of listing travel-for-pleasure as business.

Handled as a detective story, the subpoenaing of records and many other details brings out important elements involved in tax fraud and shows how a small discrepancy can lead to a major revelation. Technically well done and interesting to watch, but this is obviously not a typical tax case.

SOCIAL SECURITY—HOW SECURE?
52 min., color, 1975.
Producer: Robert Rogers for NBC.
Distributor: Films Incorporated.

The history and operation of Social Security is described in detail. Incidents illustrate strengths and weaknesses of this system, which alleviates but fails to prevent poverty in old age. Contrasts the inadequacy of current benefits to retired workers with the abuse of disability payments, and points out other inequities. Mentions misleading terminology such as: a compulsory tax is called a "contribution," a trust fund does not really exist, and Social Security is actually a pay-as-you-go method. Since the film was released in 1975, it does not show important changes in the law made in 1977.

Among the many important points brought out are consideration of Social Security as a method of income redistribution and the implications of the changing ratio of workers to beneficiaries. The film contains a tremendous amount of information, interestingly presented, which will lend itself to thoughtful discussion.

TAXATION WITHOUT REPRESENTATION
16 min., color, 1967.
Producer: Charles Cahill & Associates.
Distributor: AIMS Instructional Media Services.

Dramatizes the events that led the American colonies to believe a revolution was essential—the Sugar Act and the Stamp Act a year later. Stills and cartoons of defiant colonists, as well as of British customs officials, add variety. Actions of the British in disbanding the Massachusetts Assembly and threatening the rights of the colonists acted as a unifying force and caused them to band together.

Although the film does not provide any new information, it points up the significance of taxation and attitudes toward it.

TAXES—SOMEBODY'S GOT TO BE KIDDING!
26 min., color, 1970.
Producer: Don Hoster.
Distributor: AIMS Instructional Media Services.

A husband and wife in Los Angeles County talk about property taxes and assessments, which leads to a detailed explanation of the training of an appraiser. A one-year course is required by the International Association of Assessors. The sole job of the assessor is to find, to classify, and to place a value on the property. An auditor computes the tax rate and a tax collector takes the money. Assessment procedures for property improvements made by this couple are shown. The film goes on to discuss rental properties, land, water, and other items, including various aspects of the property tax and its peculiarities.

This is a slow-moving, rather dull film with poor photography; however, a good deal of information is covered.

TAXES, TAXES
27 min., color, 1977.
Producer: Peter Schlaifer.
Economist: Henry Bass.
Distributor: Red Ball Films.

A panel of experts is interviewed on a TV show, while people in a lunchroom watch and discuss the issues raised. Animated films and acted skits are shown to the panel to

stimulate discussion, and many important issues are highlighted, with the panel presenting conflicts and differing points of view. Among the main points are the fact that taxes are high as a proportion of the national income—40 percent, which is 33 percent of the gross national product—and that people are reluctant to pay taxes, especially in view of the many tax exempt institutions. Panelists also discuss the impact of inflation on taxes paid by the individual, and the way that increases in taxes on businesses are usually passed along to consumers in the form of higher prices. The observers express opinions at frequent intervals.

It is not made clear in the film that panelists and other characters are fictitious; but this technique makes for a lively presentation, which is both realistic and accurate. An up-to-date, stimulating film which could be readily used in the classroom or at adult meetings since it deals with controversial issues from the point of view of the taxpayer. A good film, well presented.

TAXES—WHO NEEDS THEM?
25 min., color, 1974.
Director: Leo A. Handel.
Distributor: Handel Film Corporation.

A junior high school student explores the way the government spends the money people pay in taxes. A teacher lecturing his class on this subject is shown, and motion picture sequences are used to illustrate his points. For example, as he says that free public education is the most expensive tax-supported function of state and local governments, pictures of a school sports event are screened. At another point, an aerial picture of the Pentagon appears in connection with a comment on the importance of national defense. This continues with the statement that we must protect our form of government, which provides freedom of speech and the obligation to pay taxes.

Local and national taxes are intermingled in a confusing way in a film that is otherwise clear, simple and geared primarily to junior high school students. Content is factual, and many points are made without indicating any conflicts or problems since it focuses on expenditures.

URBAN ALTERNATIVES
18 min., color, 1973.
Director: Hans Halberstadt.
Distributor: Arthur Barr Productions.

Planners from Lawrence Halprin & Associates of New York and San Francisco discuss alternatives to decaying cities in such areas as housing, transportation, recycling of old buildings, open space, and commercial development. Informative and thought-provoking treatment—despite the uneven sound quality—of ideas that should be given more serious attention by the public and greater financing from the public coffers.

WHAT ARE TAXES ALL ABOUT?
25 min., color, 1973.
Producer: Joel Heller for CBS News.
Distributor: Carousel Films, Inc.

An informative film, narrated by Christopher Glenn, who employs direct and simple language. Starts by using the withholding tax to explain how the goverment pays for services to the citizen. Discusses the kinds of taxes levied on businesses and institutions as well as individuals, especially the income tax. It should be noted that percentages represent figures compiled in 1972 and are, of course, not accurate for 1978.

Historical background, the significance of tax bills originating in the House of Representatives, mortgages, tax loopholes and many other relevant details are included in this fact-filled, easy-to-watch film. Suitable for junior high school students and up.

WHY WE HAVE TAXES: THE TOWN THAT HAD NO POLICEMAN
7 min., color, 1970.
Producer: Stephen Bosustow.
Distributor: Learning Corporation of America.

The concept of communal expenses is developed through a story and is embellished with animation. Everything runs smoothly in a hypothetical town until a thief steals the shoemaker's sandals, the housebuilder's wheelbarrow, the farmer's tomatoes, and other things. A town meeting is called to decide how to catch the thief. All agree that a full-time policeman is needed, but no one has the time. Finally, a young man is recruited.

He asks how he will get the money to live, since he has no product to sell. All the townspeople agree to give some of their earnings to assure the police recruit an average wage. The policeman arrests the thief and makes him return everything he has stolen and work for the farmer for three days to pay for the tomatoes.'

The film concludes by showing the services taxes provide. This deceptively simple film develops, in a humorous and direct way, the necessity of paying taxes. It is light-hearted and easy to watch, but also develops some basic concepts and provides a good start for a course or a meeting on the subject.

Distributors' Addresses

AIMS Instructional Media Services,
626 Justin Avenue, Glendale, CA 91201
Association Films,
866 Third Avenue, New York, NY 10022
Arthur Barr Productions,
P.O. Box 5667, Pasadena, CA 91107
CBS Consumer Publishing,
Attn.: Director of Film Licensing, 600 Third Avenue, New York, NY 10016.
Carousel Films,
1501 Broadway, New York, NY 10036.
Films Incorporated,
1144 Wilmette Avenue, Wilmette, IL 60091
Green Thumb, Inc.,
1012 14th Street, N.W., Washington, DC 20005
Handel Film Corporation,
8730 Sunset Boulevard, West Hollywood, CA 90069
Indiana University Audio-Visual Center,
Bloomington, IN 47401
Learning Corporation of America,
1350 Avenue of the Americas, New York, NY 10019
McGraw-Hill Films,
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National Film Board of Canada, 1251 Avenue of the Americas, 16th Floor, New York, NY 10020
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